The Tax On Gold (Page 18) *Where Stands Recovery?* (Page 11) *Big Stores Under Codes* (Page 8)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

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The Nation's Business

Britain's Budget and Canada's Mounting Deficits Menace Recovery
Mr. Rhodes Shows Candor in Stating Size of Deficit
Able Discussion of Monetary Policy

Canada Lags Behind Britain

RT. HON. NEVILLE CHAMBERLAIN, Great Britain's Chancellor of the Exchequer, was able to announce in his budget address that "we have finished the story of 'Bleak House' and have settled down to the first chapter of 'Great Expectations.'"

The Canadian budget, however, leaves the taxpayers of the country still in the middle of "Hard Times."

Pursuing the Dickensian theme, there is something Micawber-like in the complacency with which Mr. Bennet and Mr. Rhodes have continuously budgetted for deficits and have at the same time talked about the soundness of the country's position.

The budget introduced in the British House of Parliament by Chancellor of the Exchequer showed a large surplus, and forecast another good surplus for the coming year even after reductions in income tax, reduction of the automobile tax and increased pay for civil servants, as well as increased unemployment insurance benefits.

The budget introduced into the Canadian House of Commons by Minister of Finance Rhodes revealed an enormous deficit, forecast a large deficit for the coming year and simply substituted new taxes for old ones that were reduced.

* * *

BRITAIN has had its first prosperity budget. How long will it be before Canada can enjoy a prosperity budget?

Apparently the Government feels that it is safe in waiting for business recovery to come along and balance the budget. But a balanced budget is a very real factor in determining any nation's pace of recovery.

The cart and the horse must not be confused. A balanced budget must precede prosperity. Prosperity cannot precede a balanced budget.

How long will it be before we will face realities and definitely strive for a balanced budget as Britain, Australia and South Africa have done?

The deficits we are incurring are adding to the public debt on which interest must be paid. This interest will be spoken of as an uncontrollable expenditure. But today it can be controlled.

* * *

Uncontrollable Expenses Are a Political Myth

MR. RHODES makes out a good case in his attempt to prove that the ordinary departments of government have done a very good job in cutting expenditures. He declares that in the last three years the controllable expenses of government have decreased from $217,000,000 to $134,000,000.

He makes a further comparison to show that in the past 20 years, the controllable expenses of the government have increased only from $87,000,000 to $123,000,000. Eliminating post office expenditures for which there is offsetting income, the comparable figures are $73,000,000 and $93,000,000 an increase of $20,000,000 a year in controllable expenditures during a period when the population of Canada increased from 7,600,000 to 10,300,000.

But Mr. Rhodes ignores the real problem. It is not fair nor just to speak of any government expenditure as uncontrollable. Every expenditure on which any government embarks is at some point controllable, although after a capital expenditure has been made, interest charges on it are beyond control until the money has been paid off.

* * *

AMONG the items which Mr. Rhodes classifies as uncontrollable are provincial subsidies, old age pensions, war pensions, and interest on the public debt.

Every cent of interest on the public debt is a result of expenditures made or deficits incurred by some present or past government. Old age pensions are a recent development, and have been and are controllable. Even war pensions can be controlled.

When the estimates for the forthcoming year were brought down, The Financial Post paid a tribute to the deputy ministers and other public servants who had apparently pruned the expenses of their offices to a remarkable degree, considering the rigidity of the cost of operation of public services. But it is not in the $93,000,000 a year of salaries and expenses of the ordinary essential services of governments that the major cause of our financial problems is to be found. It is to be found

(Continued on page 2, col. 3)

ISSUE EXPECTED MACLAREN-QUE. $6,000,000 LOAN

Lack Official Confirmation But Several Reasons Suggested

HAS BANK LOANS

Only Incomplete Construction $1,000,000 in 1936; Hydro Contract Large; Earnings Unknown

Offering of $6,000,000 of Maclaren-Quebec 5½ per cent, first mortgage bonds in the near future is anticipated in financial circles. Official confirmation that an offering is being considered could not be obtained by The Financial Post, and it is believed that an offering may not be made for some weeks.

There are several reasons for anticipation of an offering. First, the Beauharnois issue of $15,000,000 of 5½ per cent bonds was an immediate success. Second, Maclaren-Quebec 5½'s, due 1961, are now quoted at about 97 bid, 97½ asked, compared with an issue price of 94 in 1931. Third, the company is understood to have been carrying bank loans covering cost of completion of its immediate construction objectives. Fourth, the statement in the 1931 report of the parent company, Maclaren Power and Paper Co. as follows:

"In February, 1931, Maclaren-Quebec Power Co. sold $12,000,000 first mortgage bonds series A, due 1961, the proceeds of which financed the construction work up to that date. The mortgage securing these bonds is closed at $18,000,000 and at a favorable time the balance of $6,000,000 unissued bonds will be sold."

Present Work Completed

It will be recalled that at the time of issue of the $12,000,000 of bonds, by a syndicate headed by Dominion Securities Corporation, the funds were to be used for construction purposes. Power plant has now been completed, it is understood, except for some $1,000,000 to be spent about 1936 to permit delivery of the full amount of power contracted for. After the proceeds of the 1931 bond issue were expended, remaining construction was financed by bank loans, it is understood, and these advances are still being carried by the company.

Maclaren-Quebec Power Co. has a large contract for delivery of power to the Ontario Hydro-Electric Power Commission at $15 per horsepower. Delivery of power is called for as follows:

Contract for Deliveries to Hydro

Period:	Power to be Delivered E.H.P.
July 1, 1933-June 30, 1934	20,000
July 1, 1934-June 30, 1935	40,000
July 1, 1935-June 30, 1936	67,000
July 1, 1936-Oct. 31, 1936	116,000
Nov 1, 1936- *	125,000

*A date later than Feb. 1, 1961

In addition there is a contract running for over 30 years from 1931 for 66,000 h.p. annually to the James Maclaren Co. newsprint manufacturer, which like Maclaren-Quebec Power Co. is a wholly owned subsidiary of Maclaren Power and Paper Co.

Hydro Contract Valuable

By 1935, the contract with the Ontario Hydro alone should be a sufficiently large producer of revenue to cover all interest charges on the authorized issue of $18,000,000 of first mortgage bonds of Maclaren-Quebec Power Co., it is understood. And in 1936, of course, the anticipated revenue from this contract should be even greater, and has been estimated as sufficient to provide 1.5 times interest requirements at 5½ per cent on the entire $18,000,000, after expenses, but before depreciation.

Information as to earnings of the paper company, James Maclaren Co., the power company, Maclaren-Quebec Power Co., and the parent holding company, Maclaren Power and Paper Co., has not been available since the report of the holding organization, for the year ended Nov. 30, 1931, was issued early in 1932. Investors have, therefore, been in the dark as to what Maclaren-Quebec Power Co., the only one of the group with a public investment interest, has been earning.

Walker Dividend May Be $4 Basis

Much speculation continues as to what dividend basis common stock of Hiram Walker-Gooderham & Worts can expect as a result of large United States business now being done. Some calculations are that the company made sufficient in the first quarter of the year to justify the expectation of $1 a share quarterly.

Some investors usually in close touch with the company appear quite certain that sooner or later the dividend rate will be $4 a year. They think that the company will take its own time until financing responsibilities are lighter and the great venture at Peoria, Ill., fully functioning, at least to the extent of paying its own way. There are now only a dozen dry states and all the states of large population are wet. Though over-production in three or four years is expected, it will be then a case of survival of the fittest and Walker's expects to be well entrenched by that time.

WHISKY DUTY MAY SOON DROP FROM $5 TO $3

Distillers Confident Events in Train to Defeat Bootlegging

WITHIN 60 DAYS

Chief executives of the principal distillery companies in Canada and the United States are not worrying so much about the present marketing situation as are their shareholders. They admit that bootlegging and faking of labels of well-known brands are rampant, that present high customs duty along with other taxes make it impossible for legitimate makers and dealers to sell as low as the price asked for illegal, untaxed liquor and that 17 years of prohibition got many Americans used to "bath-tub" gin which can be and is turned out in a day to sell, sans tax, at low prices.

Four Reasons for Cheer

But still distillers are not worrying and for the following four reasons:

1st, they are confident that the exigencies of the situation will lead the United States Government to lower the duty on whisky from $5 a gallon to $3 a gallon in the interests of getting good, well-matured stocks with which to combat illegal supplies at a moderate price and that this will happen within two months;

2nd, that even if 25 per cent of the liquor sold to the American public does not pay a tax, this compares with a situation where only half a year ago almost 100 per cent of the industry under prohibition did not pay a tax;

3rd, that a preventive force of 1,000 men is now setting out to eliminate as much of this illicit 25 per cent of illicit liquor as possible;

4th, that every big entity in the business of making or distributing liquor from New York City is clearing present stocks from bond and selling them in order not to be caught napping with too expensive stocks if the duty is reduced.

This line-up of the situation is made by Canadians who have had business reasons to call on officials of most of the large distilling companies in Canada and the United States and who have travelled as well to nearly every state of the union where liquor can be sold legally. The Financial Post understands that the organizations of the distillery companies are protecting their own business by uncovering as much illegal business as possible. States in which control boards have been instituted, are also studying the sources of illegal liquor sales in order to bring their buying power to bear on the sources of supply.

Large Canadian companies have established their connections in the United States but so long as taxes

(Continued on page 2, col 1)

Smelters Quarterly Output Registers Sharp Advance

From Our Own Correspondent

MONTREAL—Consolidated Mining and Smelting Co. of Canada's production of lead, zinc, gold and silver registered a substantial gain in the first quarter of this year compared with the same period a year ago, according to a statement made at the annual meeting of shareholders by J. J. Warren, president.

Lead production increased 23.1 per cent over the figures for a year ago, silver output was up 12.1 per cent, gold was up over 40 per cent, and zinc production increased nearly 65 per cent.

Good Gains Noted

Following are the figures on production in the first quarter of 1934 and 1933:

	1934	1933
Lead (tons)	35,370	28,726
Zinc (tons)	23,816	14,758
Gold (ozs.)	9,025	6,639
Silver (ozs.)	1,795,977	1,601,000

Better Situation Seen

Mr. Warren also commented upon general developments and along these lines had the following to say, in part:

"Production during the first quarter of the current year was considerably greater than during the corresponding period of last year.

"As metal sales have been sufficient to take up the increased production, stocks remain about as they were at the end of the year. Metal prices are practically unchanged since the turn of the year.

"Fertilizer sales on the Canadian Prairies for the 1934 seeding are about two and one-half times as large as last year. Foreign sales of fertilizer are quite satisfactory, especially as there has been an appreciation in price.

"Some gold prospects have been acquired and others optioned. There will be a substantial expenditure during the year in the exploration and development of these prospects. The present high value (in currency) of gold brings many properties—formerly too low grade—into the possibly profitable producer class.

"Further development in the lower workings of the Sullivan Mine continues to give favorable results."

Directors re-elected for a two-year period were: E. W. Beatty, K.C., W. A. Black, S. G. Blaylock, Henry Joseph, R. S. McLaughlin and F. Gordon Osler.

MORE LIBERAL TERMS SEEN ON PRICE BROS.

Report Gains Credence Bowater Has Reached Compromise

GIVE LARGER EQUITY

Preferred and Common Stock Holders To Do Better — Satisfy Opposing Faction

From Our Own Correspondent

MONTREAL.—Though the final offer of the Bowater group to the holders of junior equities and the unsecured creditors of Price Bros. & Co. has not made its official appearance, advance reports are that the offer to be made will be on a more liberal basis.

The plan, as mentioned in The Financial Post two weeks ago, is likely to show that a compromise has been reached with the Rothermere-Beaverbrook and Duke-Price Power group, which was in conflict with the Bowater interests over future control of Price Bros. property.

On the basis of the old plan, Bowater offered to take care of the claims of the first mortgage bondholders in full. This meant that the holders would be issued a new security par for par, while the two years arrears of interest would be paid up in cash. The new plan will undoubtedly make the same provisions.

Give Better Terms

The old preferred shareholders of Price Bros. were to be given a new preferred stock, on the basis of $50 for each $100 held, the dividend rate being reduced from 6½ to 6 per cent. In addition, the preferred shareholders would give up the right to cumulative dividends.

The final plan is understood to provide for an exchange of preferred stocks, par for par, with a non-cumulative dividend rate of 5 per cent.

More for Common

The last offer of Bowater to the old common shareholders was on the basis of 1 new share of no par value for 10 shares of the old common stock of the par value of $100 each. The forthcoming plan is said to allow the old shareholders 1 new share of stock for each 3 shares held.

No change is contemplated in regard to the new capital. The Bowater interests guarantee $5,000,000 of new capital, in return for which those putting up the money will receive a general mortgage income bond together with a bonus of common stock.

Past Opposition Strong

In the past opposition to the Bowater plan has come from the unsecured creditors and the common shareholders. Duke-Price Power Co., as the largest unsecured, creditor, and vitally interested in the future of its power contract for 100,000 h.p. with Price Bros., has been opposed to the Bowater plan.

The bondholders accepted the Bowater plan last summer, while the preferred shareholders have indicated their approval of this scheme.

Compromise is Reported

While there are no particulars available as to the terms of settlement with the unsecured creditors, it is reported that the Bowater interests have come to an agreement with Duke-Price Power Co. as regards the maintenance of the old power contract or the entry into a new one.

It is understood that the old contract between Duke-Price Power Co. and Price Bros. & Co., has always been regarded by the interested parties as a favorable one for the manufacturing company, but the Bowater interests heretofore have taken the stand that until the position of Price Bros. & Co. improves to a point where it is able to carry the full charge, current payments for power should be in line with earning power.

Meet All Interests

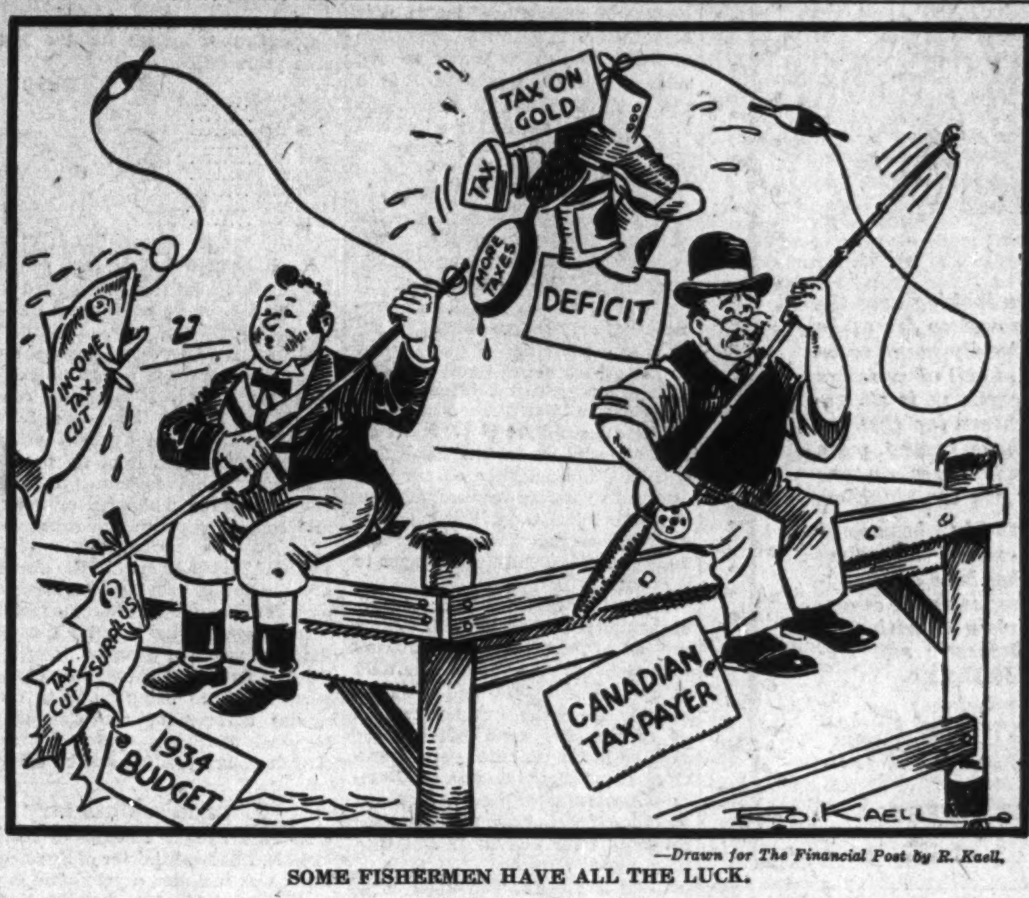
Current reports are that both Beaverbrook and Rothermere will figure in the new picture being set up for Price Bros. by Bowater. Rothermere is said to want to improve his woods position in relation to the Anglo-Canadian mill, and it may be that an arrangement can be made to take care of his needs.

Beaverbrook's interest in Price Bros. & Co., in the past has been on two counts, as a stockholder and as a buyer of newsprint through his paper the London Daily Express. In time Beaverbrook can place a large tonnage with Price Bros. and his inclusion in the new picture would not be surprising.

With the co-operation of Rothermere, Beaverbrook and Duke-Price Power Co., plans of the Bowater group for Price Bros. rehabilitation can be put through without further loss of time. It might also eliminate the necessity of forcing the public sale of the mortgaged assets and thus smooth the way for Bowater ta take over control.

Market Reflects Change

Meanwhile the market has reflected a change in the situation. Though official statements are lacking, the market action on the preferred and common shares forecast a common agreement between the two opposing factions. The bonds have been selling at par or better, after having once been as a low as the early 30's. The common stock has increased in value from a few cents to better than $4 a share, while the preferred has more than doubled in value from the low point reached last summer.



—Drawn for The Financial Post by R. Kaell.

SOME FISHERMEN HAVE ALL THE LUCK.

Canadian Oil Companies Displace Outside Refiners

Imports of Crude Oil and Casinghead Gasoline Raw Materials Jump While Imports of Finished Products Drop Sharply—Increase Canadian Business Also

Canadian duties on gasoline and other products of crude oil have resulted in a marked increase in refining operations in Canada and a substantial decrease in importation of finished or partially finished products. There has been an increase in imports of light crude oil in its natural state for refining from 841,168,221 gallons in the 12 months ended February 28, 1933, to 983,722,677 gallons in the 12 months ended February 28, 1934, and an increase in natural casinghead compression or absorption gasoline, which refineries import to improve the quality of their gasoline, from 26,688,168 gallons to 40,875,774 gallons.

Gas Oil Imports Drop

As a result of increased manufacture in Canada imports of gas oils (described by the Dominion Bureau of Statistics in its bulletin as gasoline "lighter than .8235 specific gravity at 60 degs. temperature") dropped in these two periods from 71,444,658 to 15,856,112 gallons; lubricating oils less than 25 cents a gallon, dropped from 7,704,196 gallons to 6,232,311 gallons though dearer lubricating oils advanced from 3,654,802 gallons to 3,800,894 gallons; gas and fuel oils described as "petroleum, not including crude petroleum for refining or illuminating or lubricating oils, .8235 specific gravity or heavier (Fuel Oil)," dropped from 57,728,066 to 41,625,853 gallons; and fuel oil ex-warehoused for ships' stores fell from 30,788,232 gallons to 26,820,267 gallons. Crude petroleum not in its natural state dropped from 24,067,692 gallons to 21,657,791 gallons.

In other words, imports of raw materials have increased 156,742,056 gallons, imports of finished materials have dropped 89,388,546 gallons, and the balance of 67,000,000 gallons apparently represents increased business done in the Canadian market in all the various lines aside from replacement of imported products.

Weston Passaic Plant Running Three Shifts

The large factory at Passaic, N.J., of George Weston, Ltd., is now running three shifts. The increase in business in the last year has been phenomenal. Even a month ago it was running two shifts but that proved insufficient to meet growing demand. The company's business in Chicago, which is being built up preparatory to the opening of a factory in the area, is also showing encouraging advance sales, being $25,000 in April for this area alone.

Reports from England indicate that plans for the opening of a factory in London, England, are progressing. Two factories have been offered the company at a reasonable price and questions of suitability, convenience and marketing channels are now being studied to aid in the eventual decision as to site. Garfield Weston, president, is now on his way to England to make the final arrangements.

More Changes In Tariff Rates Are Forecast

From Our Own Correspondent

OTTAWA.—Official information is to the effect that the budget does not contain the complete tariff programme of the Government for the present session.

This applies particularly to the preferential tariff. It is predicted, in official quarters, that further reports from the Tariff Board will be presented to the Government and that amendments to the tariff will be introduced later on. It is understood there will be a partial revision of the woollen schedules of the tariff this year and possibly other items of particular interest to British manufacturers will be dealt with.

The Government intends to abolish the traditional practice of bringing down all of the tariff changes for the session as a part of the budget.

Dominion of Canada

Two series of Dominion treasury bills, maturing July 1, and Oct. 1, were sold by tender on April 17, at an average cost of 2.41 and 2.71 per cent respectively. These costs for 2½ and 5½ months bills, compare with 2.85 and 3.12 per cent respectively on sale of three and eight months' bills in March. There were $1,600,000 of the July 1 maturity and $13,400,000 of the Oct. 1 maturity, sold at indicated average prices of about 98.5 and 98.76 per cent.

Binder Twine Manufacturers Oppose Change

Canadian makers of binder twine, such as Brantford Cordage Co., may be adversely affected to a certain extent by the Dominion budget reductions of excise tax on imports of finished binder twine from 3 per cent to 1½ per cent and representations to that effect are being made at Ottawa.

The ground of their objections is that the fibre imported by Canadian makers of binder twine comes largely from points like Java, outside the Empire and this still remains subject to the 3 per cent excise tax on imports. A good deal of finished binder twine comes from Belfast and this discrepancy, it is pointed out, gives the Irish makers of binder twine an advantage of 1½ per cent unless it is adjusted. There is a good chance that the Government will make this change as the effect was probably unforeseen.

More Spinning of Jute

Newspaper stories that the changes in tariff items Nos. 537 and 537a, with reference to jute twines, would affect the binder twine industry were astray in as much as jute twines are used for making bags and certain wrapping twines which are never used for making binder twine.

The change in item 537 means that in future jute yarns will be admitted free from countries under the British preference tariff while the rates under all classifications have been increased upon the finished cord or twine used for packaging. This will mean an increase, it is thought, in the spinning of such products in Canada.

March Shows Wide Gains In Business

Impressive gains were made all along the business front according to new March figures released this week. The story is told in great detail on page 10 of this issue.

		— Change —	
		From Prev. Period	From Prev. Year
Monthly:	Mar. '34	%	%
F. P. index	91.7	+4	+31
Pig iron prod. (tons)	12,101	−1	......
Steel prod. (tons)	72,923	+26	+550
Auto. prod. (cars)	14,180	+65	+114
Newsprint prod.	210,129	+20	+53
Exports	$58,346,445	+54	+57
Imports	$47,521,158	+41	+44
Employment (index)	91.3	−2	+20
Power output*	1,795,616	+11	+36
Lumber exports	131,349	+25	+117
Bank debits†	2,448,914	+19	+33
Bond sales	14,061,044	+5230	+1326
Insurance sales	32,996,000	+35	+3
Weekly:			
Car loadings	41,578	+2	+38

*Kilowatt hours (000's omitted). †000's omitted.

Highlights of the week

Business Recovery

How far Canada has gone on the road to recovery, and how it affects all lines of business. An extensive and graphically illustrated survey. Page 11

Mass Merchandising

The rôle of big business under codes. How threats of legislative and taxation restrictions affect the big stores and the chains, and where independent retailers stand. Another of the authoritative Codes for Canada series. Page 8

What Price Goodwill?

The snares and pitfalls of this elusive factor in business valuation outlined in an authoritative article by R. M. Haultain. Page 12

Taxing Gold

Effects of the new gold tax on Canadian mines and development. Pros and cons of the tax, and the story of its imposition. Told in the enlarged mining section. Page 18
Also page 1

Budget Deficits

How Ottawa's huge deficits menace Canadian prosperity. The Nation's Business column. Page 1. Introspective analysis of the budget and its effects on business and the investor. Page 10

Douglasism

Major C. H. Douglas, exponent of "social credit," tells what he thinks system would do. The Financial Post's usual unbiased summary of the official evidence of the Ottawa banking enquiry. Page 13

Planned Construction

Eye-witness account of recent discussion of whether planning could prevent construction slumps. Will the next construction boom consist of tearing down excessive equipment? Page 7

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UPROAR FORCES VITAL CHANGES IN TAX ON GOLD

Result of Week's Political and Business Agitation

GORDON BUSY

Report Mine Minister Talked of Resigning Cabinet Post in Protest

From Our Own Correspondent

OTTAWA—The new Dominion gold tax will be amended.

This is the result of a week's political agitation at Ottawa, in which the mining industry has been particularly active.

Denounced by Hon. J. L. Ralston, financial critic of the opposition, as an unjustifiable levy, and the cause of the nearest approach to a cabinet crisis which the Bennett Government has known, the form of the tax is to be modified in a manner which will not discourage the development of the gold mining industry, nor bear discriminately upon producers handling low grade ores.

The precise form of the changes has not yet been decided. The government will continue to insist upon gaining $10,000,000 of revenue from gold, but will probably be content with getting it by way of a percentage tax on profits rather than as a direct levy on production.

Latest word from Ottawa is that the tax will apply to all old gold, sold to the mint second hand, as well as to new gold.

Nearly Ended in Resignation

From the political point of view, the tax very nearly resulted in the resignation of Hon. Wesley Gordon, minister of mines, and brought the most frantic protests from the Henry government at Toronto.

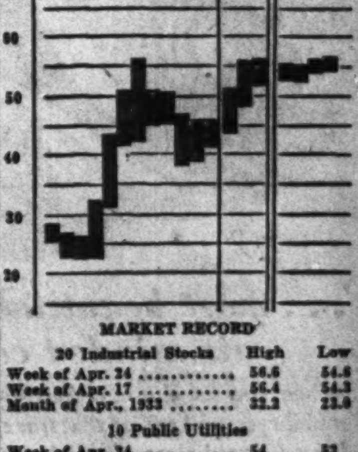
The whole incident is regarded here as an example of what may happen when one or two ministers with supreme authority undertake to decide matters of major policy, without consulting the full cabinet or the senior officials of the Finance Department. The gold tax, it is believed, was decided upon by Rt. Hon. R. B. Bennett and Hon. E. N. Rhodes. The new taxation expert of the Finance Department had nothing to do with it, nor were the experienced officials of the department consulted. The cabinet was first informed of the change four hours prior to the delivery of the budget, and although the meeting is said to have broken up with the dispute still raging, the Bennett-Rhodes decision was carried through.

Mr. Gordon, of course, was placed in an impossible position from which, failing modification by the cabinet, he could only have escaped by resignation. And the Henry Government plainly stated to Ottawa that the tax made it impossible for provincial Conservative candidates to face the electors of the northern Ontario seats.

Mr. Gordon's position was one of peculiar embarrassment for the reason that he had assured the industry in a public speech delivered only a few days previously that there would be no tax. Rather than resign Mr. Gordon adopted a most unusual line of attack. He brought his grievance before the party caucus and, unless reports are astray, fought it out with Mr. Bennett. Both of them, it is believed, mentioned resignation as a distinct possibility (both referring to Mr. Gordon) and for a time it was thought certain that the cabinet would break on the issue.

In a real sense the difficulty resulted from the unfortunate experience with the sugar tax in 1933. It will be recalled that advance notices of that tax appearing in the press resulted in widespread anticipation of it by merchants, with the consequence that nearly half the hoped for revenue was lost. This year, Mr. Bennett and Mr. Rhodes took no chances, but their decision as to the form of the tax suffered by reason of the limited examination and discussion to which it was subjected.

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Apr. 24	56.6	54.8
Week of Apr. 17	56.4	54.3
Month of Apr., 1933	32.2	28.8
10 Public Utilities		
Week of Apr. 24	54	52
Week of Apr. 17	54	53
Month of Apr., 1933	45	39
8 Bank Stocks		
Week of Apr. 24	185	183
Week of Apr. 17	187	184
Month of Apr., 1933	150	143

MEN'S SHOP

Reporting the
MEN'S SHOP

Farewell to Arms

Reporter has been looking over the sweater situation and so far as he can see, there is hardly going to be a cuff in a counter-full of sweaters this season. Everything is sleeveless—and loud cheers for that because sweaters have caused more slices and dubbed drives on the golf course than you can think of.

Anyway, the Men's Shop has one of the best selections of sleeveless pullovers that it has been our privilege to see. White seems the favored shade, either plain or with contrasting trim. Domestic and Imported makes, $2.50 and up.

The Reporter

EATON'S - COLLEGE STREET

WHISKY DUTY MAY SOON DROP FROM $5 TO $3

(Continued from page 1)

are so high in the United States that little profit can be made in legitimate channels, other considerable holdings can be expected to flow out of Canada along the old underground routes.

These arguments are very understandable in the United States and it is felt desirable to get as much of supplies into taxable channels as possible even though taxes must be reduced to bring that about. There are also political reasons to get prices down. Scotch and Canadian bonded ryes at present carry a retail price for an ordinary 26-2/3 oz. bottle (usually referred to as a fifth) in the various states from $3.50 to $4.10. That is higher than in Canada because of the duty imposed and a reduction of the duty would make the situation more favorable.

Canadian goods are reported by returning Canadians to be found in practically every state of the union. They say that it is not possible to get all brands of all companies but they are sure to find brands or liquors of at least one of the big companies, Hiram Walker-Gooderham & Worts and Distillers Corp.-Seagrams. In other words, a lot of bottled goods has passed across the line as well as the mature liquor in barrels to be used in making blends. Junior four-year old whisky is quoted around $4 a gallon net to the Canadian distiller at present, The Financial Post understands. Every week carloads of Canadian Club, De Luxe Bourbon rye, G. & W. Special and other bottled in bond goods go across the line.

A temporary let-up in purchases now and then is only to be expected. Following the end of prohibition on December 5 new commissions and other purchasers stocked up but even the state bodies had to be financed on a 60-day basis and they do not make new purchases until funds from sales permit it. Washington, Montana, North Dakota, Pennsylvania, Delaware, Connecticut, Michigan, Minnesota and Iowa are states which have recently appointed control boards. Pennsylvania, for instance, bought $1,000,000 worth of supplies from one Canadian company. That ties up a lot of cash for 60 days but it is paid eventually and the financing requirements become less of a burden progressively.

Thus shareholders have longer to wait for results than some of them anticipated.

THERE IS MORE THAN MONEY IN A STRONG INVESTMENT

We will be glad to mail investors a clear explanation of some definitely helpful facts. Write for FULFILLING INVESTMENT OBJECTIVES.

L. S. JACKSON & CO.
LIMITED
320 BAY STREET, TORONTO

Hinde & Dauch Fear New Beer Law's Effect

Hinde & Dauch Paper Co. of Canada reports output in first quarter of 1934 greater than for the same period of 1933. Prospects for the remainder of the year, however, are not so favorable due to the expectation that sale of beer by the glass will increase the demand for wooden containers by hotels and restaurants and decrease the use of liner board.

Crown Trust Service

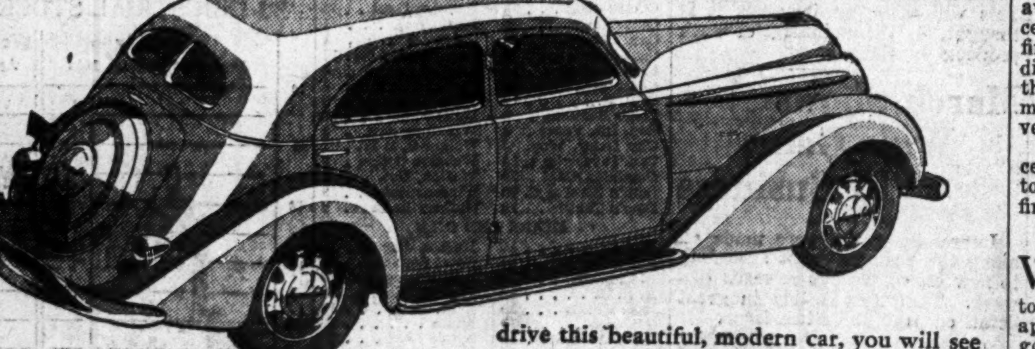
We serve men and women and their families in the conservation and management of family funds under wills and trusts left in our care as Executor and Trustee.

We invite you to call and discuss these services.

Crown Trust Company
393 ST. JAMES STREET • MONTREAL

LET US SERVE YOU AND YOUR FAMILY

HUPMOBILE



. . . most beautiful of the air-minded cars

When you see the new Aero-dynamic Hupmobile you will realize that *true* air-line design has produced a car of rare beauty. When you drive this beautiful, modern car, you will see how these new design principles have definitely obsoleted all your previous ideas of riding and performance. See your dealer today and let the new Hupmobile tell its own story.

Hupmobiles are available in three wheelbases :— 121-inch and 127-inch for the ultra-modern Aerodynamic models ; and an interesting new low-medium price Hupmobile on the 117-inch wheelbase.

HUPP MOTOR CAR CORPORATION . . Windsor, Ont.

The Nation's Business

(Continued from page 1)

in the $140,000,000 a year of debt interest—increased, by the way, by $5,000,000 this year — which must be paid upon expenditures made for vast unproductive as well as many useful works. It is in the enormous subsidies and bonuses to special interests and sectional groups. It is in the large unemployment relief expenditures, toward the reduction of which no adequate effort is now being made. It is in the liquidation of such foolish ventures as the soldiers' settlement scheme. It is in the enormous railway deficit, the largest single item of government expenditure, which is by no means yet out of politics.

* * *

THIS government has done its share further to involve future governments in actual or possible "uncontrollable" expenditures. It has, for instance, put the government's guarantee back of $93,296,000 of known liabilities of government or private corporations in addition to large unspecified additional sums. What may ultimately be lost on some of these guarantees is beyond conjecture as are the further losses that will have to be written off our government steamship ventures and our government railways. It is in wastes such as these that successive governments have brought the taxpayer to despair.

The minor extravagances of governments are important. But they are not as important as the unwarranted extension of the whole field of government that has gone on steadily since the war and which, of course, has been much more marked in the provincial and municipal governments than in the Dominion government. Step by step, our spending bodies have advanced the range of their activities. But they have never retreated. Not a single activity of government taken up in a spirit of carefree recklessness in boom days has been thrown over. There has been no major co-ordination or consolidation of overlapping departments. On the other hand, new undertakings have been promoted.

Today we are paying the price. We shall continue to pay tomorrow and tomorrow.

* * *

Our Race Against Debt— Some Disturbing Figures

THE Minister of Finance can at least be given credit for candor in stating the national deficit. He speaks of a deficiency on ordinary account of $24,100,000. This is what finance ministers in the past have been inclined to treat as their surplus or their deficit. But it gives no consideration to the numerous special expenditures, such as those now incurred on account of unemployment relief, or of the deficits on the government railways. Mr. Rhodes frankly gives the deficit for the current year as $135,200,000.

This problem of what figure to take as the annual surplus or deficit of the Dominion government is one that has bothered all students of public finance. The books of the country are not set up as the books of a private corporation would be set up.

* * *

FOR several years The Financial Post has made its own annual interpretation of the government's surplus or deficit and it has always attempted to include all items properly chargeable to current account but it has excluded all capital expenditures. On this basis, the deficit is a little less than that shown by Mr. Rhodes, amounting to $128,640,000, the figures being arrived at as follows:

Ordinary expenditures	$347,702,000
Special expenditures	42,900,000
Non-active loans	3,096,000
C.N.R. deficit	58,955,000
Total	$452,653,000
Less revenue	324,013,000
Deficit	$128,640,000

Comparable figures for the last nine years follow:

	Surplus	Deficit
1925-1926	$ 37,600,000	
1926-1927	69,300,000	
1927-1928	81,000,000	
1928-1929	104,000,000	
1929-1930	58,300,000	
1930-1931		$88,000,000
1931-1932		154,200,000
1932-1933		151,600,000
1933-1934		128,640,000
		$522,440,000

It will be seen that the total deficit for the last four years amounted to $522,440,000, or an average of more than $130,000,000 a year.

If capital expenditures were included, the average would be considerably higher. It might be reasonable to include them since they would provide but a slight offset against the depreciation on public buildings, canal investments, etc., which is never calculated or taken into consideration by governments.

* * *

PERHAPS the figures in the above table do not provide an adequate basis for comparison of the financial management of the country during the nine years in question. During the first five years there were enormous additions being made to the capital account of the Canadian National Railways, which by no stretch of imagination can be taken to have improved the net worth of that property at the rate of 100 cents for every dollar expended.

A more just basis of comparison would be to compare the annual increase in public and railway debt during the period under review. On this basis, the deficit, for that is what it is, has amounted during each of the past ten years to the following figures:

	Surplus	Deficit
1924-1925		$90,468,000
1925-1926	$ 10,296,000	
1926-1927	47,339,000	
1927-1928		4,917,000
1928-1929	74,848,000	
1929-1930		96,939,000
1930-1931		129,854,000
1931-1932		222,126,000
1932-1933		211,000,000
1933-1934		126,000,000

The increase in ten years is $750,000,000 or $375 per family. And all incurred through deficits or investments that must be regarded as largely unproductive.

* * *

CAN this country continue to absorb deficits and to increase its public debt at this rate? There can be no doubt as to the answer. It is decidedly in the negative. We are gambling on a sweeping wave of prosperity and an enormous inflation in prices to give this country some unpredictable and unforeseen period of development and population growth. Instead of keeping our debt down to a size and weight commensurate with our strength, we are praying for an accession of strength to enable us some day to carry the growing debt. But in the meantime, we are racing against the increase of debt itself.

The gamble is a dangerous one and we may not win.

Canada's Monetary Policy Is Ably Discussed

IN THE budget address of Hon. E. N. Rhodes, Minister of Finance, there was included a very able exposition of the monetary policy that Canada has been pursuing during these last few difficult years of depression. Credit should be given to Mr. Rhodes as well as to his leader, Mr. Bennett, and the Deputy Minister of Finance, W. C. Clark, for having steered the practical middle course in monetary policy.

Mr. Rhodes points out that the government has consistently pursued a policy designed to stimulate a rise in prices by every sound means. Of conscious control of prices there has been very little. Being heavily interested in export trade, Canada was necessarily more interested in a rise in the world's level of commodity prices, which would carry our prices along with it than in an artificially promoted rise in our own price level. Nevertheless, there have been some modest efforts at price raising on the part of this country and these were recounted by Mr. Rhodes. Every encouragement has been given to the lowering of interest rates, and to the easing in money markets. In both these policies, Canada has, of course, followed the example of Great Britain. Likewise our currency was divorced from the gold standard.

* * *

MR. RHODES defends the policy of declining to link the Canadian dollar either with sterling or with the United States dollar. He is on very solid ground when he says that so strongly are Canadian interests tied up with both the United States dollar and the English pound that the policy of tying to one and not the other would represent a poor second-best and not an ideal policy. He points out in reply to those who persist in urging that we should devalue our currency that our dollar is currently selling on an approximate parity with that of the United States which has been devalued by slightly over 40 per cent.

The great merit of Canada's monetary policy has not been in what has actually been done but in what might have been done and wasn't; in conservatism and the resistance shown to numerous crack-brained proposals for outright inflation, for arbitrary reduction of interest rates on government issues, even for outright default.

* * *

OF COURSE, it is difficult to divorce consideration of currency policy from fiscal policy or spending policies. The effect of our successive unbalanced budgets, of our continued large expenditures on special account, of the constant piling up of public debt has been disturbing in the extreme and will inevitably lessen the pace of recovery in the years to come. But in matters of monetary policy, in the exercise of control over exchange rates and interest rates, the government has been well advised and has acted wisely.

It is apparent that the appointment of Professor Clark as Deputy Minister of Finance has been amply justified. He is no crank, no purely theoretical intellectual, but very much the financial realist. It is probably due to his presence in the Department of Finance that the last two budget speeches have been the first in the history of Canada to discuss effectively and adequately the monetary policy of the country.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Own Correspondent

Those Provincial Loans

CONFERENCES between Saskatchewan and the Dominion with respect to loans required by the province this year have been completed. While no statements have been issued, it is believed Saskatchewan will get about $7,000,000. The money will go for urban and rural relief, about fifty-fifty. The province dropped the request for money to carry forward road construction.

Premier Pattullo, of British Columbia, arrived to begin discussions this week. Advance reports are to the effect that Mr. Pattullo can, "get along" with $8 millions. This is divided: $2,500,000 current provincial deficit; $3,500,000 direct unemployment relief; $2,000,000 relief works.

If Mr. Bennett is in a generous mood, Mr. Pattullo will certainly suggest another million to be loaned to municipalities for their share of relief costs. British Columbia's premier is reported to have decided to put the issue squarely to Ottawa —adequate Federal loans or provincial default. The coast province is said to be immovably opposed to granting Ottawa budgetary control in return for money.

With the requirements of two of the four provinces totalling $15,000,000 it looks as if Ottawa will be fortunate to escape with an increase in Western loans this year of $25,000,000.

* * *

Treasury Bill Success

SALE of $15 millions short term treasury bills last week at an average rate of 2.41 and 2.71 per cent is heralded by officials of the finance department as an extraordinary achievement and as proof that state economies of substantial magnitude will result from the development of a short money market.

Credit for the achievement, recently described in The Post, goes to W. C. Clark, deputy minister of finance.

* * *

Marketing Bill Unlikely

WITH the C.C.F. supporting the marketing bill as a first step toward the "socialistic" state, it is apparent that many members of the government group are dubious of the merit of the legislation and, also, that the Liberal party will accept the policy as a major political issue in the country. Gossip in the Liberal lobby strongly indicates that opposition will be offered every inch of the way in the Commons.

This opposition will be based on the contention that the bill:

(1) Is a socialistic measure subversive of Parliament in that it delegates essential functions of the governing body to a bureaucracy, with power to use public funds, to interfere (with or without their consent) with producers, distributors and business generally, and to regulate foreign trade;

(2) Is based upon a fundamental error in seeking to solve problems of primary production by decreasing output instead of widening export markets;

(3) Is certain, like the old wheat pools, to create among importers and consumers in Great Britain and foreign countries the fear of monopoly of sale for the purpose of compelling higher prices.

While it is too soon to anticipate the fate of the bill, it looks as if the government is not pressing the second reading with vigor. Privately, ministers declare that very little use will be made of it. Wheat will be handled, if need arises, under the relief act. Special legislation already passed covers fruit, livestock, butter, cheese, etc. There would be no surprise if the government let the marketing bill die on the order paper. In any event, it is most unlikely to be proclaimed if it is enacted. The reaction in the country, judging by the press, has not been very favorable.

Eastern Theatres Income Fell

Eastern Theatres net earnings dropped from $150,437 to $66,969 in 1933 as compared with 1932. After depreciation and taxes and dividends the surplus was reduced from $183,521 to $106,902 by the deficit for the year.

Newsprint Sales Help Power Output

From Our Own Correspondent

MONTREAL.—Greater activity in the newsprint industry is reflected in the sharp gain in electrical energy delivered to electric boilers during March, 1934, in comparison with the same month a year ago. According to returns compiled by the Dominion Bureau of Statistics, the central electric stations delivered 432,393,000 kw.h. of energy to electric boilers last month, compared with 301,571,000 for March, 1933.

Good gains are reported in Quebec, Ontario, the prairie provinces and Manitoba, while British Columbia shows a slight decline. In comparison with last year, March, 1934, deliveries in Quebec show an increase of about 67,000,000 kw.h.; Ontario, 58,000,000 kw.h., or more than double; Manitoba, nearly 12,000,000 kw.h.; and British Columbia a decline of approximately 17,000 kw.h.

Power Stations Create Another Output Record

From Our Own Correspondent

MONTREAL.—Canada's central electric station industry continues to set the pace for recovery. In March, 1934, according to the Bureau of Statistics, the central stations had a production of 1,795,616,000 kw.h. with an average daily output of 57,923,000 kw.h. This exceeded the previous daily record of 57,595,000 kw.h. made last February by .6 per cent. When allowance is made for seasonal variations, the March returns also created a new high point.

All areas contributed to the record output last month. In the returns of energy generated by water power, the greatest gain, in point of volume, was made by Ontario, with Quebec in second place. The latter, however, had by far the largest output of the five economic areas, the returns amounting to 881,766,000 kw.h. — a new high point for any month in the history of the Quebec industry. After being in a bad slump for many months, the Ontario stations are again well into their stride and the returns for March are among the largest ever reported for that province.

Comparative figures showing the amount of energy generated by water power in the five economic areas for March, 1934 and 1933, follow:

(Thousands of Kilowatt Hours)

	March 1934	1933
Maritimes	53,045	48,085
Quebec	712,029	575,308
Ontario	662,576	479,322
Prairies	136,924	124,519
B. C.	116,317	98,483

Bruck Silk Mills Additional Stock Listed

From Our Own Correspondent

MONTREAL.—Bruck Silk Mills announce the listing of 25,000 additional shares of no par value common stock, bringing the total amount listed up to 125,000 shares. Of this additional stock, 21,500 shares were sold to I. I. Bruck for cash at a price of $18 a share less Dominion and Quebec transfer taxes. The balance was sold on the same basis to Williams, Partridge and Angus Ltd.

Roy D. Kerby Appointed Manager Toronto Zone

Roy Kerby, formerly president of Dominion Motors, Ltd., has been appointed manager of the Toronto zone for General Motors Products of Canada, Ltd. Mr. Kerby joined the General Motors organization last December as assistant general sales manager.

Mr. Kerby will be located at the General Motors buildings, Church and Richmond Sts., Toronto.

Beatty Bros. Purchases Gould, Shapley Lines

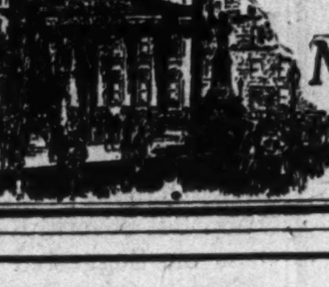
Beatty Bros. Ltd. announces purchase of three lines from Gould, Shapley & Muir Co., of Brantford, and production of new lines will commence at once. The three lines consist of "Brantford" windmills, hand and power pumps, and grain grinders. The patterns and dies, as well as the patents, were bought and have been moved to the Fergus plant.

BUSINESS *and* AGRICULTURAL INFORMATION

DURING the growing season periodic reports on crop conditions throughout Canada are issued by the Bank of Montreal.

Month by month, the Bank publishes a "Business Summary" covering business conditions in Canada and in the various countries where there are offices of the Bank of Montreal.

If interested, ask to have your name placed on our mailing list to receive either or both of these reports regularly without charge.



Head Office Montreal

BANK OF MONTREAL
Established 1817

Total Assets in excess of $750,000,000.

Men's Golf Shoes

"SPECIAL FOUR," $4

Choose from 6 outstanding styles in golf shoes, in plain and combination colors, with the large new "pro" spikes. Sizes 6 to 11 in each style. At $4.

"VICTOR," $6

There's a splendid selection of styles in these popular $6 golf shoes, in plain and combination colors. Plain, wing tip and moccasin vamp pattern. Sizes 6 to 11 in each style. At $6.

"HARTT," 8.50

This season Hartt, long noted for fine golf shoes, introduces a new moccasin and brogue styles. There are numerous types in all, in plain and combination colors. Spikes or new type of rubber sole. Sizes 6 to 11, widths A to E. At 8.50.

Phone orders filled on all items —Adelaide 8411.

Simpsons—Street Floor.

In the largely unrealized Montreal Market District of nearly two million people, over 72% must be sold in French

No one medium can amply cover the 1,454,380 FRENCH readers in this area of potential sales opportunity for you. And you NEED the added strength of the NEW

La Patrie
• CANADA'S DYNAMIC FRENCH NEWSPAPER •

The new handy 80-inch page size

enables you — at a low cost — to combine the heavy drive of dominating space with more frequent, shorter reminding advertisements.

On the handy 80-inch page no ad can be "buried". Greater visibity assures greater results. It takes *less than half* the space to *command* the page in La Patrie than in the 175-inch papers.

In La Patrie, your large space might appear on Saturdays, with 66,000 copies circulated in the noon edition and the 11 p.m. late news specials; then follow up with smaller space (but still with excellent visibility) on weekdays — where, by the way, circulation is constantly increasing, averaging 29,298 5 days a week for January, February and March, 1934.

La Patrie contains *all* the news, local, Provincial, Dominion and World-wide, without any drastic cutting. *All* the feature specialties of a modern newspaper with the added advantage in page makeup made possible by the new form.

La Patrie gives you the needed extra strength and coverage among over 1,400,000 people in Montreal and the Western end of the Province who speak, read and think in FRENCH . . . people who are adopting *new* ideas. *new* policies and *new* improvements in living standards.

The best vindication of the NEW La Patrie policy, giving it a *dynamic* place in the FRENCH field, is the following comparison of figures:

Advertising Lineage
Jan. 1934 increase of 15% over 1933
Feb. 1934 increase of 41% over 1933
March 1934 increase of 91% over 1933

Let us figure with you or your agency how La Patrie can best serve you. Write Advertising Manager, La Patrie Building, Montreal. Ontario Office, 407 Canada Permanent Building, Toronto, Harold E. Stephenson, Representative.

"Seeing is Believing . . ."

being a part of the "Cellophane" story you probably have not yet heard . . . . or thought of . . . . or read

THIS story is about "Cellophane." It shall be told simply and directly. For this is a surprisingly important story. "Cellophane," as everybody knows, is a name for a transparent cellulose material —a material that is made from spruce. But "Cellophane" is more than that. It is a **method**. This may call for a slight elaboration.

"Cellophane" is used to wrap a myriad of objects; meats and candies, linens, tobaccos, the list is endless. As such it is an agent of merchandising; a method of merchandising, if you will. It has qualities of its own; qualities of protection, for instance, and sanitation. Of these we will speak later. They are not necessarily exclusively the property of "Cellophane." A hermetically sealed tin can, for example, will give you protection. But a tin can, or a paper bag, or a cardboard box cannot give you **visibility**. And that is the merchandising importance of "Cellophane." An importance as truly significant in its field as were the first wobbling flights of those gliders of the Wright brothers at Kitty Hawk, in realms of transportation and communication.

We offer you the past. We offer you the dusty roads and the grocery stores with the cracker bins in the corners. The cat delicately stepping on the sawdust on the floor. The mounds of candy behind the glass cases with the brown wooden frames. We offer you the merchandising of that era—in bulk.

You must remember it. Bulk packaging and bulk transportation of perishable goods in order to save freight charges, seemed to be the utmost in logic at that period. And on the floor, or the shelves, there was the waste, the drying out, the soilage, and the constant writing-off of losses. And the customers saw only the bins, the barrels and the big cardboard containers. And they were satisfied. But not for long.

Packages Appear

Then back in the nineties, men began thinking of bigger sales and wider markets. Small packages appeared. They sold better. Product after product distributed in bulk before, now was launched in a package. That started a second era of merchandising. And a far better one. The crackers now came in small boxes instead of the large tins and some of the packages were beautiful of themselves. But there was one big thing missing. Nobody—that is, none of the merchants — seemed to think much about the eventual consumer, the customer whose pennies, multiplied in the tills, were the only thing that gave profit. There was an unspoken attitude which was tantamount to this; the customer **has** to buy; he will run out of towels, or soap, or food, and he will **have** to come to us. It was, in a sense, a milder variant of the "public be damned" attitude which earned a certain American a certain immortality.

Not that these merchants thought for a moment that they were not rendering service. You had only to ask and it was given to you. The fallacy in their reasoning, however, lay in the fact that **asking** was **necessary**. It was only hope that the goods would be in stock that made the customer ask; there was no way she (assuming the sex) could tell that the storekeeper had exactly what she wanted. She couldn't see them. And while she waited for an order to be filled, while she drummed a ditty on the counter and her eyes wandered about the shop, what, again, did she see in that store of 30 or 40 years ago. The blank, unpromising exteriors of boxes and receptacles labelled, it is true, but probably so situated that only the far-sighted could read. Or many fancy packages that did not reveal their contents. So, if the order were happily filled, the customer left, parcel under arm, without having seen probably, any other objects (such as handkerchiefs, perhaps, or toothbrushes, or a new kind of cake) which she might have wanted to buy had someone, or something, temptingly reminded her. There is a moral—or a title—to this part of the story and it is as prosaic and direct as anything can be. This is simply the story of sales that have been lost.

The Customer May Judge

We may now say, "then came 'Cellophane'" — as the movies used to say, "came the Dawn"—and our only fault, like theirs, will be naïveté of expression. "Cellophane" came.

Now it may be wise to interpose here that we are not yet discussing the substance which is called "Cellophane," nor the different kinds of "Cellophane," the moistureproof, for instance, or the coloured. We are discussing "Cellophane" as **a method** of merchandising. "Cellophane," in other words, as a **means of visible packaging.** The parallel between "Cellophane" and a glass counter or case is inevitable; "Cellophane" is in effect a flexible show case. And that means simply this: the customer who enters a store should be able to see what the merchant has to offer. Our little tale of sales that have been lost need never be repeated. Now with the aid of "Cellophane" the merchant's "storehouse" is opened and the customer may judge at once whether she wants of its wares. This use of visible display in selling has actually altered merchandising as profoundly as automobiles have affected our mode of transportation. It is no waste of time to dwell upon it.

The ability to see the product through its wrapper has engendered friendliness and familiarity. It is, in fact, a follow-up to advertising. For what better advertising is there than the actual display of products—a thing which newspapers, magazines, billboards, can only offer in a removed vicarious sort of way? As one grows older, and perchance wiser, the truth of old wives' tales becomes increasingly apparent. It would seem that truth is so essentially simple that only a platitude will express it. "Seeing," we have heard, "is believing." "Cellophane" is the **seeing** of merchandising.

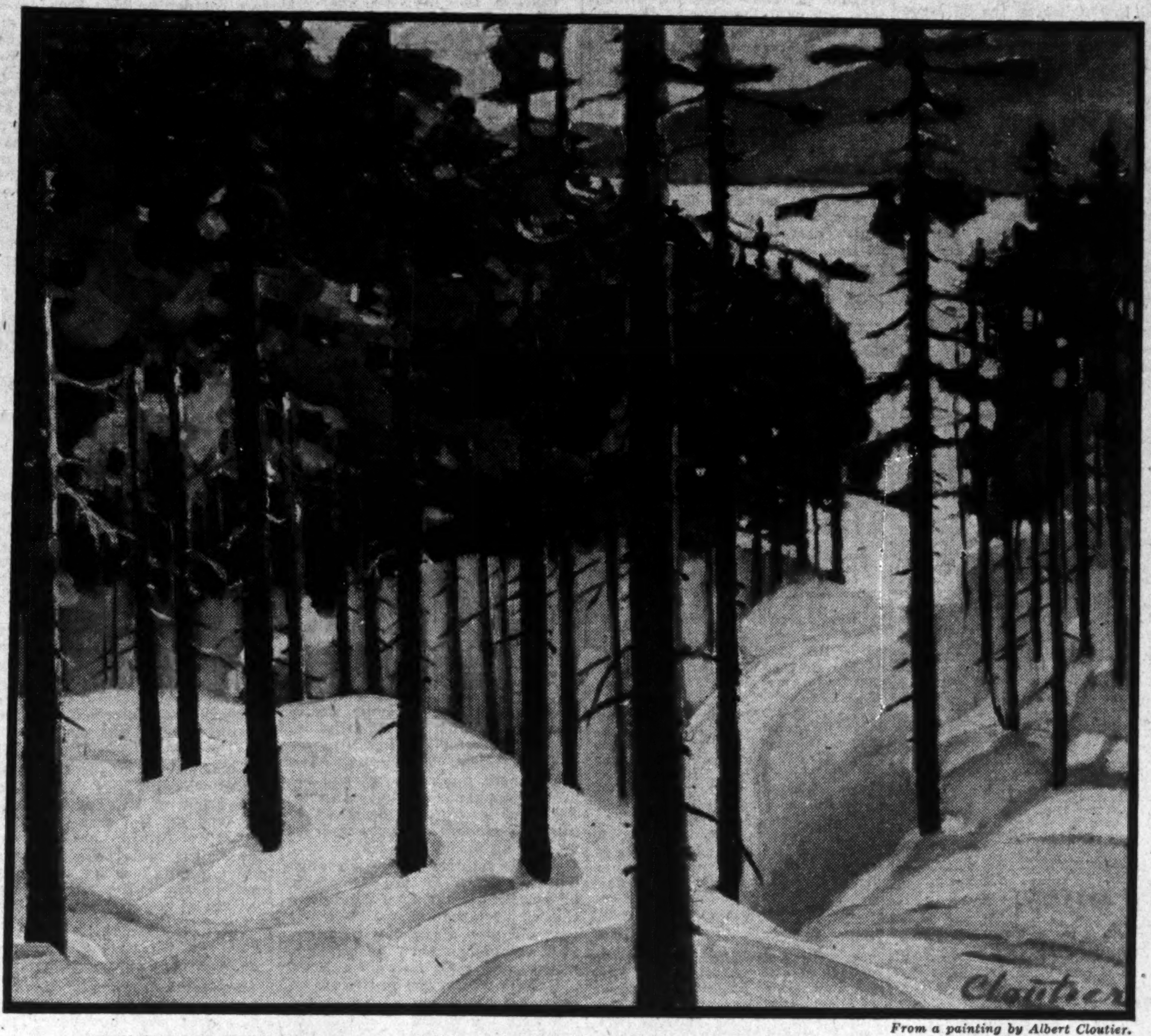
A New Philosophy of Selling

You may recall, a short time back, that we offered you the past, confident you would not want it. We offer you now the present and the future. The shiny and clean stores, and the blankets and the baby clothes and the powder puffs and the candy and the meats and the groceries there to be seen. It has been said, and thought, that nowadays everything is wrapped in "Cellophane." That is not true. But everything wrapped in "Cellophane" is **seen**, because it is nearly always given preferential display. These transparent cellulose sheets have caused a new philosophy of selling and marketing. The sceptic, whose doubting slogan is "show me," has been shown.

There is still, however, a multitude of things unsaid. For instance, we have not told you that "Cellophane" also gives efficient protection.

There are two kinds of "Cellophane," regular "Cellophane" (that is, non-moistureproof) and moistureproof. These vary in thickness and they may or may not be coloured. The moistureproof, for instance, is indicated where the products—such as cakes or crackers or tobacco—are apt to suffer if their moisture content be increased, or for that matter decreased. For moistureproof "Cellophane" perforce keeps already present moisture from escaping.

Dust and oil, odours and grease, thumb marks—these are unable to touch a product wrapped in "Cellophane." The cellulose material has, in effect, barred the common phrase "shop worn." It is a protection that even a hospital will respect. And in that uncompromising protection lies the seed of "Cellophane's" permanence. For this civilization has learned about cleanliness from advertisements and now demands it. And it has heard too, about freshness and hermetic sealing. These "Cellophane" gives. And these are more important, if not as readily obvious, as its sparkling transparency.



From a painting by Albert Cloutier.

THE SPRUCE TREE: Canada's forest slopes are clothed in tremendous wealth of living spruce—the tree, more than any other, to which business is indebted. For spruce is the natural parent of three generations of packages, marking three eras in merchandising.

Now it must be realized that **protection** is the prime function of "Cellophane." That is more important to the public than its value as a sales aid. For were visibility all, some other product, some other system, might replace it. But when you have not only the visual facilities it affords but also the complete (and mark the word "complete") protection it gives, you have a merchandising force that was undreamed of a scant dozen or more years ago. The tobaccos in the country stores in the Prairie Provinces need no longer dry, nor the cigarettes actually flame because their filling has become so powdery. The cakes remain fresh. And the linens crisp and clean.

Thus "Cellophane" becomes more than the third of the three steps in merchandising — bulk, package, visible package — it becomes the safeguard of merchandise, an agent of protection as effective as any you may purchase. Even were "Cellophane" not transparent this would be sufficient to account in good part for its widespread use.

We may speak now of the **texture** of "Cellophane" for that too is of interest. You have seen it and handled it. It is welcome to the touch, silky and clean. And its glitter pleases the eye. A curious psychological fact is that the public loves to handle this material, likes to twist and tear it, to peer through it after removal from the package it covered. It has a sparkle which invites. You have seen the bottles it wraps, their labels fresh and clean, and the whole bright and cheerful gleaming here and there with unexpected highlights. "Cellophane" enhances the object it encloses; it adds its own luminosity to it.

These then are the qualities of "Cellophane" and the most important is protection. And it is due to these qualities that "Cellophane" is popular and in demand. It is because of them that the tobacco industry, for instance, almost entirely uses it as covering for its packages. It is because of them that Canada's meat industry uses it, and the textile industry, and the candy industry. Some have claimed that the success of the material was due to a superb piece of publicity, an advertising campaign without peer. But this is not true. For no advertising can popularize so completely a product if there were question as to its efficiency and integrity. "Cellophane," primarily, sold itself. Because it is useful. Because it increases sales, and protects merchandise, and is brilliant and transparent at once. No loud-voiced slogans were demanded to consummate its acceptance.

We have assumed you know what "Cellophane" looks like, that you have seen it applied to groceries, cigarettes, etc. It is not certain that you know what it is. Basically "Cellophane" is the same as rayon, differing only in the final form which it takes. "Cellophane" is cast in the form of sheets while rayon is cast in the form of fine threads. Both are made from wood pulp.

Like many of the things that are today as much a part of our living as movies and automobiles, the process of making "Cellophane" had an unheralded birth. "Cellophane" was not found overnight; prior to 1900 experiments had been carried out in manufacturing transparent films for wrappings, but it was not until 1912 that anything was evolved reasonably approaching "Cellophane" as it is known today. And until 1924 there was no "Cellophane" manufactured outside of France. And in France it was expensive and used only on the most luxurious of luxuries, or for eyepieces of gas masks. Which is a fairly complete study in contrasts.

It came, patented and protected, to Du Pont in the United States in 1923 and Du Pont thought it good. But it was not until 1927 that moistureproof "Cellophane" was developed. Du Pont found it after 2,000 separate experiments.

"Cellophane" came to Canada a few years ago, patented and protected, of course, and Canadian Industries Limited built a modern plant at Shawinigan Falls, Quebec, and there manufactures it, under contract with the Du Pont Cellophane Company, Inc., of the United States.

This, then, is the story of "Cellophane"—the story of what it is, and what it does. And it is a rare story of excellence and success, and a pleasantly honest and unapologetic story, good to read in a day and time like the present, for "Cellophane" is unquestionably the greatest stimulus to merchandising that has been developed in a decade or more.

To Use "Cellophane" Successfully

Our work with a great number of manufacturers in widely diversified industries has given us invaluable experience in modern merchandising and packaging. Perhaps we can help you, too, to increase your sales through the successful use of "Cellophane."

As a first step we suggest that you send samples of your product to our Package Development Department. Here they will be studied and a recommendation will be made to you of the most suitable type of package together with full information and an estimate of cost. This service is available to you without cost or obligation.

CANADIAN INDUSTRIES LIMITED
"Cellophane" Division
MONTREAL TORONTO

"Cellophane" Qualities Aid Various Industries

Bulk Groceries, Meats and Baked Goods, Candies, Tobacco and Textiles Benefit by New Merchandising Plan

The road to increased sales through "Cellophane" leads through many industries. In each industry the manufacturer or retailer who has learned of the general "Cellophane" story has said in effect: "This is all very interesting, but what does it mean to me individually? Can I use this sales stimulus to any large extent in my business? If so, how much is it going to cost me to adopt 'Cellophane'? Will the increase in sales compensate me for the extra cost?"

The answer to these questions is readily found. The use of "Cellophane," while still in the period when pioneering efforts are discovering new rewards, has nevertheless undergone tests and trials that provide definite proof of its value.

Bulk Groceries Changed to Interesting Specialties

Numerous examples are on record of sales increases through the use of "Cellophane" bags of from 50% to 700% in such items as prunes, tapioca, beans, barley, noodles, peas, tea, coffee, nuts, rice, lentils, soup mixtures, dates, raisins, figs, peaches, apricots, macaroni, potato chips, spices and many other similar products.

Yet one must approach the adoption of "Cellophane" with intelligence and understanding. One must first accept the fact that "Cellophane" does cost slightly more than paper bags and some other wraps. When, however, "Cellophane" has been used to its best advantage its initial cost has proved to be a profitable investment. Here is a test conducted with bulk groceries by a progressive chain store. Bulk items were displayed for equal periods, first in paper bags, then in "Cellophane" bags. To check more closely the paper bags were then reverted to and later displaced by "Cellophane." The results of this test are informative.

During equal periods 91 lbs. of bulk goods were sold in paper bags as compared with 262 lbs. in "Cellophane," an increase in volume of 171 lbs., or 188%.

Now, as to cost. Only 160 paper bags were required for the old way at a cost of ten cents. 500 "Cellophane" bags were needed at a cost of $4.69—yet the increase in gross profit, less the cost of bags, was 95.9% greater through "Cellophane."

Here is the answer to the cost question. The success of this test was outstanding because the store manager made the most of "Cellophane" qualities. The "Cellophane" items were grouped attractively and displayed in a "See What You Buy," or "Cellophane" special department. An "island" of glistening "Cellophane" wrapped groceries is the opposite of the old bin method — one uses the selling power of visibility, the other disregards it.

Meats Identified and Protected

The sales of such meats as hams, sausages, picnic shoulders, pork butts and bacon have also felt the quickening touch of "Cellophane." In attractive put-ups of printed "Cellophane," meats have been welcomed by dealers and gladly given preferred display space on counters and in showcases. Near to the purchasers' hands, sales made "on impulse" have added to the daily sales total. The buying public has reacted favourably to being able to see the meat product, knowing that there will be no necessity of waiting for the order to be sliced. Buyers accustomed to demanding products of Government inspected abattoirs and packing plants appreciate the germ-proof protection which goes right into the home.

Candies Came First

The confectionery industry was the first to recognize the tremendous sales value of "Cellophane." In those days "Cellophane" was in the early stages of its development and in spite of the fact that imported "Cellophane" was a constant source of trouble, "Cellophane" did sell more candy. As the price went down and down from $2.65 a lb. in 1924 to $1.00 in 1928, the field opened up, especially when tremendous volume developed in direct-wrap 5c and 10c units. Since then, however, price reductions have made the cost of the "Cellophane" wrap a negligible factor compared with the advantages which the material gives. In candy many of these advantages are self-evident. But in many cases they have been working steadily to increase sales for many years before they were appreciated. Thousands upon thousands of purchases of candy in "Cellophane" have been made on the spur of the moment, through the immediate appeal to the palate of the tempting "Cellophane" wrapped dainties. But a subtler and none the less potent force lies in "Cellophane." The whole confectionery industry is made more important, a greater source of pleasure to the general public, through the fact that fully protected candy products reach the buyer in the same delicious condition that the manufacturer has been at such pains to produce.

"Cellophane" Aids Baking Sales

The same formula — protection, best possible display, impulse sales —has been applied to Baked Goods and with equal success. A satisfactory volume of new business can, and is being secured by supplying a variety of appetizing sweet dough products wrapped in inviting "Cellophane" — special breads in "Cellophane" also have scored a tremendous success. "Cellophane" has thus opened the door to important new fields for sales expansion and increased profits for every baker.

A development, too, which offers tremendous possibilities for enlarged profits, is in the wrapping of pies in "Cellophane." An aggressive Montreal baker has increased his pie business by 200% with an over-wrap of "Cellophane."

A new field opened when moistureproof "Cellophane" appeared in 1927. Cakes, which dried out in plain transparent "Cellophane," were kept fresh and moist in moistureproof "Cellophane."

Fewer Markdowns in Textiles

The great department stores of Canada and the United States have proved the testing ground in the value of "Cellophane" to the textile industry. Here, too, this method of merchandising has proved its value. From general experience and from actual comparative tests it has been shown time and again that "Cellophane" reduces markdowns because of less soilage; "styles up" merchandise, enhancing the appearance of the product and stimulating sales; creates goodwill by assuring clean, sanitary merchandise; converts staple products into gift items; increases unit sales through multiple packaging of similar or identical items and permits the packaging of related items, such as bath ensembles; and among other advantages, simplifies stock-keeping and inventory.

Tobacco Benefits By "Cellophane" Protection

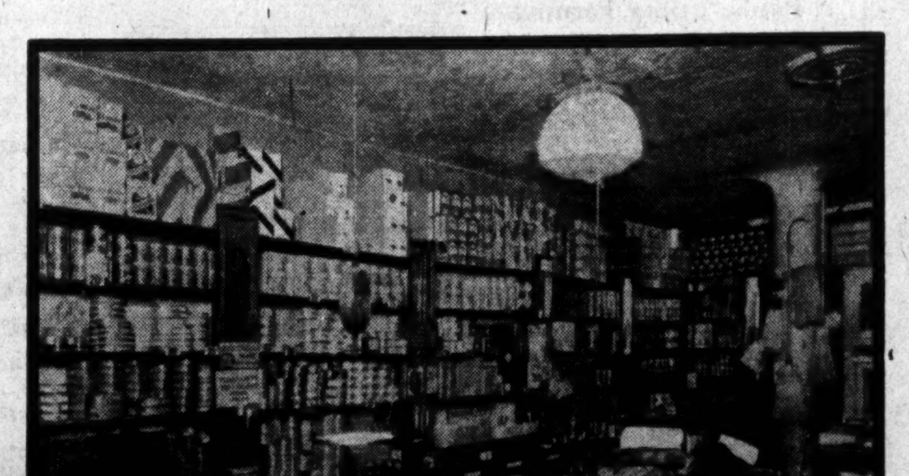
The early and almost universal appearance of "Cellophane" upon tobacco products illustrates a striking "Cellophane" feature. Farseeing tobacco manufacturers, anxious to place their products in the consumers' hands with the correct moisture and flavour content, were quick to use "Cellophane." The public, almost immediately swung their allegiance to these brands. Smokers from experience grew to know that the "Cellophane" wrapped brand was fresh. Now, with cigarettes for example, all popular selling cigarettes sold in Canada are sealed in moistureproof "Cellophane." "Cellophane" has increased smoking enjoyment —and contributed to the large increase in the sales of the tobacco industry. Through "Cellophane" all the original moisture and flavour is placed in the smokers' hands exactly as the manufacturer intended.

The "Cellophane" Division of Canadian Industries Limited contemplates the publication in "The Financial Post" of a series of advertisements dealing specifically with various industries in which "Cellophane" has proven of important sales value. Full information regarding any phase of the "Cellophane" question may be obtained by writing the "Cellophane" Division of Canadian Industries Limited at Toronto or Montreal.

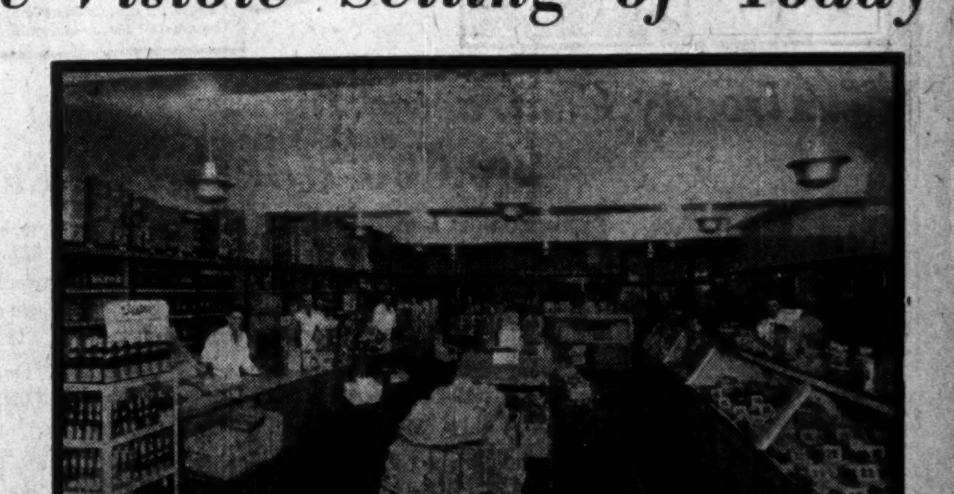
Three Successive Packaging Eras Have Resulted in the Visible Selling of Today

Courtesy Standard Brands, Limited.

SOCIABILITY . . the leisurely, sociable days, the scoop and the scale, the cracker barrel, the pot-bellied stove, colourful landmarks of storekeeping in the 80's . . . eatables in open containers and most things sold in bulk . . . here the first stage and from this grew the modern store.



INSCRUTABILITY . . cracker barrels and cider kegs retired in favour of cartons and cans. The individual package has arrived. But the advance put goods into hiding —and who knows what goods may be like inside a package? The second stage in merchandising had this great fault.



Courtesy Stop and Shop, Toronto.

VISIBILITY . . 1934 Model of a food store. Order, cleanliness, goods accessible. Store layout result of studying customers' habits and needs. Feature: visible display of merchandise to suggest needs, create impulse sales. Note: glass cased meats; baked goods, grocery staples in "Cellophane."

SHAREHOLDERS IN WINNIPEG PASS CITY DAIRY PLAN

Bondholders Also Waive Certain Sinking Fund Payments

PAY INTEREST JUNE 1

Preference Shareholders Withdraw Objections and Exonerate Dairy Corp. Officials — Directors Elected

Another forward step in the effort to settle or postpone pressing problems of Dairy Corp. of Canada and three of its subsidiaries was made in Winnipeg on April 16 when the plan of re-organization for City Dairy, Ltd., was carried by substantial majority. The bondholders also passed resolutions submitted to them and as a result the interest on the Series "B" bonds, which was not paid on March 1, will be paid before June 1. Dairy Corp. reorganization plan had been passed by shareholders and debenture holders the preceding week. Two other subsidiary situations remain to clean up, but they do not appeal to shareholders.

The new common voting shares created in 1930 by Supplementary Letters Patent were not voted at the meeting and it was stated that they have never been voted at any meeting. As part of the opposition to new plans had been built on the idea that these shares were created to give Dairy Corporation better control, no further objection was made on this score.

Preferred Share For Share

The scheme of arrangement between City Dairy and its shareholders of all classes proposes to give one no par value share of non-cumulative $4 Class "A" preferred stock of a new issue in exchange for each share of 8 per cent and 7 per cent $100 par value preferred stock in the present company. In other words, $250,000 of 8 per cent preferred would be replaced by 2,500 no par value preferred and the $200,000 7 per cent preferred by 2,000 no par value preferred Class "A." Under the new arrangement there will also be issued 5,000 shares of Class "B" voting common stock which will have the right to $4 a share after the preferred stock is paid, then to $2 a share additional in common with shares of Class "A" stock and then to $4 a share for Class "B" stock alone. In other words, if future earnings make it possible, the Class "A" preferred may at the maximum pay $6 and the Class "B" preferred $10 a share. Of 5,000 shares of Class "B" common stock, no par value, 3,000 shares take the place of 15,743 out of 18,743 shares of no par value common stock of the present company.

The situation can best be shown by the following three tables, showing respectively, the capitalization of the company as at present, the proposed capitalization assented to by shareholders and bondholders and the basis of exchange:

Old Capitalization

	Authorized	Issued
6% 1st mtge. bonds ..	$1,000,000	‡$450,000
8% pref., $100 par ..	250,000	250,000
7% Do.	200,000	200,000
Com., no par shs.	25,000	†18,743

†All owned by Dairy Cor. ‡Of which $420,000 was outstanding at end of 1932.

New Capitalization

	Authorized	Issued
6% 1st mtge. bonds ..	$1,000,000	$450,000
No par cl. A pref. non-cum., non-voting shs. $4 part.*	4,500	4,500
No par cl. B voting common shs.	5,000	3,000

*Participating feature is that after preferred stock pay $4 B common then has right to $4 a share in further distribution, then both share alike in next $2 a share earnings and then class B can take further distribution of $4 a share.

Exchange Basis

Old preferred is exchanged for class A new share for share. 15,000 shares old common is exchanged for 3,000 class B. Bonds unchanged but two years sinking funds waived.

No Wrong Doing Alleged

In order to understand the situation of the 18,743 no par value shares it may be said that at the time Dairy Corporation of Canada got control, 15,000 of these City Dairy shares were issued in exchange for 3,000 fully paid common shares of $100 par value of the former City Dairy; 3,000 shares for the consideration of $100,000 payable by 1,000 shares of 6 per cent preferred stock of Dairy Corporation and 743 of such shares for the consideration of $23,005. It is now proposed to cancel the 3,000 shares paid for by $100,000 preference stock of Dairy Corp., and to return the preference stock to Dairy Corp. treasury.

A. E. Hoskin, K.C., leading Winnipeg barrister, stated on behalf of his clients that absolutely no charges of fraud or intentional wrongdoing were made against any of the directors or against Dairy Corporation. The principal complaint in the action brought on behalf of the 7 per cent preference shareholders was that certain changes had been made in the capital structure of City Dairy without meetings of the preferred shareholders being called to consider these changes and that certain dividends had been paid out of capital. Information obtained after starting of the action showed that the dividends had not been paid out of capital. The new changes in the capital structure of the company adjusted matters on a very satisfactory basis. It was known to everyone that the capital structure had to be drastically readjusted to meet present conditions and the present scheme met the approval of all interests concerned in the negotiation.

In the event of liquidation of the company or distribution of its assets, holders of Class "A" shares will have the right to $50 a share and priority to payment upon the Class "B" shares, then the Class "B" shares that have the right to $50 a share and any balance would be distributed among the shareholders of both classes in the proportion of the shares respectively held by them.

"A" Elects Two Directors

Holders of Class "A" shares will have the right at the annual meeting to elect two members of the Board of Directors if the board does not exceed seven, or three if it exceeds seven directors, but the shareholders shall not be entitled to attend or vote at any other meeting of the shareholders.

The remaining 2,000 Class "B" shares remain available for issue and allotment by the directors at a consideration of not less than $25 a share, payable in cash. Class "A" shareholders in such event, will be given the privilege of purchasing 45 out of each 100 shares at price terms fixed.

The total consideration forming the basis for the issue of the no par value new shares is set at $300,000, the balance to be distributable surplus.

Bondholders Waive Sinking Fund

The bondholders at a meeting in the Royal Trust Company Offices in Winnipeg on April 16 passed a resolution waiving the default that occurred under the trust deed dated June 30, 1928, and the supplementary trust deed dated February 5, 1930, securing said bonds, by the non-payment of interest on March 1, 1934, and permitting the board to postpone payment until June 1, 1934, or earlier if the directors see fit to waive the non-payment of the sinking fund payments on March 1, 1934 and 1935, and those due on June 1, 1934 and 1935. Payments of interest and sinking fund must be paid before dividends can be paid.

The new board of directors consists of R. J. L. Ball, General Manager, J. A. Caulder, President, Harry Strange, of Veteran Press, Ltd., Wm. E. Milner, general manager, Western Life Assurance Co., Douglas H. Ross, general manager Traders Finance Corp., and E. W. Kneeland, well known grain man and President of Kneeland Grain Co.

Ontario Hydro Holds Lead Principal Power System

From Our Own Corresponden

MONTREAL.—The Big Five in the central electric station industry in Canada show no change in their ranking as regards production during 1933 in comparison with the returns for 1932. Ontario Hydro continues as the principal producer in the Dominion, though Shawinigan ranks a very close second.

Several interesting changes are noted in the list of the 27 large central electric station systems in Canada as compiled by the Dominion Bureau of Statistics. While increases are general, the largest gain was made by Beauharnois Light, Heat and Power Co., which in the last three months of 1932 produced only 60,719,000 kw.h. For 1933 this company, operating four units out of a potential maximum of ten, turned out 422,100,000 kw.h., making it the eleventh largest producing system in the Dominion.

Steam Plant in List

For the first time in the history of the Canadian power industry, the steam electric producer ranks among the 25 largest systems. The Seaport Power Co., subsidiary of Dominion Steel and Coal Corp., had an output in 1933 of 85,971,334 kw.h., ranking the system 24th among the larger producers.

The Ottawa Valley Power Co. and the Huronian Power Co. are two newcomers to the select list of major systems.

It is especially noted that those power systems serving the mining industry made the most notable gains in 1933. The systems affected by boom conditions in the mining industry are Shawinigan, Canada Northern Power, West Kootenay Power, Churchill River and Alcoa Power Co.

Leading Power Producers

Following is a list of the 27 largest central electric station systems in the Dominion, with their output for 1933 and comparative figures for 1932:

	Kilowatt Hours Generated 1933	1932
Hydro-Electric Power Commission of Ontario	3,076,479,311	2,985,187,370
Shawinigan Water & Power Company; Quebec Power Company; Canadian Light & Power Company	3,005,812,940	2,610,343,123
Canadian-Hydro Electric Corporation, Ltd.	2,674,387,629	2,509,910,452
Duke-Price Power Company, Ltd.	1,724,566,120	1,673,119,325
Montreal Light, Heat & Power Cons.; Montreal Island Power Company	753,095,910	649,335,190
West Kootenay Power Company	660,905,059	580,021,067
Winnipeg Electric Company and Manitoba Power Company ..	479,413,393	511,024,078
Canada Northern Power Corporation	474,553,410	441,150,290
Alcoa Power Company, Ltd.	455,089,497	413,780,051
British Columbia Power Corporation; Vancouver Island System; Mainland System; Kamloops System	443,014,459	465,000,724
Beauharnois Light, Heat & Power Company	422,100,000	*60,719,000
Canadian Niagara Power Corporation	420,851,200	273,909,700
Winnipeg Hydro-Electric System	398,289,900	384,103,830
Abitibi Electric Development Co., Ltd.	227,324,308	204,282,001
James Maclaren Company, Ltd.	205,146,166	176,874,750
Nova Scotia Power Commission	199,150,648	158,560,449
Churchill River Power Company, Ltd.	196,012,300	187,334,650
Great Lakes Power Company	173,606,547	153,531,817
Southern Canada Power Company	157,973,070	160,609,700
Price Brothers & Company	157,950,900	172,446,680
Ottawa Valley Power Company	139,417,890	....
Calgary Power Company	131,983,470	143,427,388
Huronian Power Company, Ltd.	103,241,435	....
Seaboard Power Company	85,971,334	....
Ottawa Electric Company	82,777,267	86,175,881
Ontario and Minnesota Power Co.	78,234,490	101,604,200
East Kootenay Power Company, Ltd.	70,450,900	70,588,530
Total	16,997,799,553	

*Three months.

Electric Energy Exports Register Sharp Gain in '33

From Our Own Correspondent

MONTREAL — A marked increase in the export of power by Ontario Hydro, Cedar Rapids Mfg. and Power Co., and Canadian Niagara Co. brought the aggregate export of electrical energy from Canada to the United States from 667,880,085 to 989,364,131 kw.h. in 1933.

An examination of the returns prepared by the Dominion Bureau of Statistics shows that surplus power exported last year by Ontario Hydro amounted to 82,783,481 kw.h. This represents an extraordinary increase over 1932 when only 219,385 kw.h. were transmitted to the United States by the same agency. Cedar Rapids Mfg. and Power, a subsidiary of Montreal Light, Heat and Power Co., practically doubled its exports last year, while Canadian Niagara reported an increase of approximately 75 per cent.

Other companies permitted to export power to the United States did not report any material change in their position last year. It is noted, however, that the International Railway Co. did not export any energy in 1933, whereas in 1932 about 210,000 kw.h. were reported as having been exported.

Comparative statistics on exports of energy from Canada to the United States in 1933 and 1932 follow:

KILOWATT HOURS EXPORTED

	1933	1932
Ontario Hydro-Electric Power Commission of Ontario	348,221,500	350,019,900
Do., (Surplus)	82,783,408	219,385
Cedars Rapids Manufacturing and Power Co., Ltd.	334,128,741	180,076,312
Canadian Niagara Company	188,646,789	103,049,092
Do., (Surplus)	493,300	15,300
Ontario and Minnesota Power Company	16,538,050	13,329,550
Maine and New Brunswick Electric Power Co.	11,165,650	11,434,344
British Columbia Electric Company	151,249	141,055
Northport Power and Light Company	254,732	239,668
Maritime Electric Company	496,240	320,752
Sherbrooke Railway and Power Company	332,562	423,016
Northern B. C. Power Company	42,210	50,690
Fraser Companies, Ltd.	5,803,400	7,979,000
Inter. Railway Co.	....	210,121
Detroit and Windsor Subway Co.	257,300	371,900
Total	989,364,131	667,880,085

KEEFER REALTY SHOWED $29,569 DEFICIT IN 1933

Bondholders' Committee Paying Tax Arrears from Income

Keefer Realty Corp. bondholders' committee has just issued its first financial statement. A deficit of $29,569 was shown for 1933 after accrual of bond interest, which was not paid because of the reorganization of last year whereby the 6½ per cent bonds, due 1943, are placed on an income basis until Dec. 1, 1936. No allowance was made for depreciation in 1933, but part of capital surplus created by the reorganization is to be used to write down land and buildings.

Earnings are being applied in payment of a second mortgage secured as a tax lien and tax arrears owing to the city of Montreal. These items totalled $62,990 at Dec. 31, 1933, the bondholders' committee states, and had been reduced to $48,214 at March 15, 1934.

Keefer Realty Profit and Loss Year Ended Dec. 31, 1933

	$
Rentals, etc.	95,696
Less: General expenses	40,302
Taxes	20,292
Salaries	1,000
Directors' fees	1,928
Audit fee	300
Commissions	4,725
Bad debts w/o	5,864
Operating profit	21,285
Less: Interest, discount and trustees' fees	3,859
Accrual of bond interest	46,995
Deficit for year	*29,569
Add: Organiz. expense w/o	5,411
Reorganization expense, 1933..	11,305
Previous deficit	50,681
Deficit carried forward	96,966

*Before allowing for depreciation

Working Capital Deficit

Current liabilities are shown at $67,101, current assets at $3,829, leaving a working capital deficiency of $63,272.

If revenues continue on the basis of the 1933 basis of about $95,000 per annum, the committee estimates that about $30,000 can be paid in 1934 on the tax liens of $48,213. Over two thirds of leases expire on April 30, however, and more concessions may have to be made for renewals, it is stated. The building is about 80 per cent occupied, and a campaign is being employed to secure tenants. Directors fees are high, the report states, because of the number of reorganization meetings held last year, and consequent high travelling expenses.

By writing down par value of the common stock from $500,000 to $50,000, a capital surplus of $450,000 was created by the reorganization. This will save $450 yearly in stock taxation. It is proposed to use the capital surplus to write off: deficit, $96,966; discount on original sale of bonds $75,000; alterations and repairs, $9,593; land $89,480; buildings $178,961.

Public Utility Earnings

Southern Canada Power

March:	1934 $	1933 $	Increase $
Gross earn. ...	178,998	168,103	10,895
Oper. exps. ...	63,839	61,631	2,208
Net earn.	115,159	106,472	8,687
Six Months Ended March 31:			
Gross earn. ...	1,111,886	1,093,316	18,570
Oper. exps. ...	397,953	378,667	19,286
Net earn.	713,933	714,649	*716

*Decrease.

Quebec Power

Quarter end. Mar. 31:	1934 $	1933 $
Gross revenue	972,823	968,933
Less: Expenses	551,569	571,461
Bond int. exch.	3,413	17,734
Fixed charges	152,132	146,695
	707,115	735,891
Net profit*	265,707	233,042

*Before depreciation and income tax.

B. C. Power Corp.

March:	1934 $	1933
Gross revenue	1,052,674	1,047,149
Oper. expenses	711,402	702,946
Net revenue	341,272	344,203
Nine Months:		
Gross revenue	9,529,361	9,782,137
Oper. expenses	6,372,716	6,681,857
Net revenue	3,156,645	3,100,280

Twin City Rapid

First Quarter—	1934	1933	% Inc.-Dec.
Gross rev.	2,344,796	2,213,454	+05.93
Oper. exps. ...	1,592,465	1,767,334	—09.89
Net rev.	752,330	446,120	+68.64
Fixed chgs. & taxes	495,650	467,084	+06.12
Net income ..	256,680	20,964	

Inter. Paper Plants Step Up Output

From Our Own Correspondent

MONTREAL. — Canadian International Paper Co., controlling mills at Gatineau, Three Rivers, Dalhousie and Corner Brook, produced 544,273 tons of newsprint for an operating ratio of 67 per cent in 1933. This compares with production of 493,435 tons, or an operating ratio of 61 per cent in the previous year. Inventories of finished newsprint of these mills declined 19,213 tons, or 15 per cent, during the year.

Since June of 1933, there has been a marked increase in the consumption of newsprint in the United States and Canada, although consumption for the year as a whole was about 4 per cent below 1932, due to the very unfavorable conditions earlier in the year when the bank holiday in the United States had a serious effect upon consumption of newsprint.

N. S. GOVERNMENT ADDS CAPITAL TAX TO PROPOSALS

Expects to Get $90,000 Additional from Banks and Financial Cos.

The Nova Scotia Government proposes to amend the provincial revenue corporation act in order that it may levy one-eighth of one per cent on the paid-up capital of all companies having a capitalization of $5,000 or more.

Banks, trust, loan and finance companies will be called upon to pay an increase in their annual taxes as will also public utility companies which are distributors of electricity for lighting purposes and telephone companies. The cable, tram, gas, railways and express companies are not affected. The new measure is designed to take into account company reserves as well as paid up capital.

Audited statements of earnings will in future be required from all companies having a capitalization of more than $5,000. The new law will also affect non-incorporated companies such as partnerships, which class does not at present come within the provisions of the corporation tax.

Where the capitalization of the company is not more than $10,000 the minimum tax will be $10; it will be $25 from $10,000 to $25,000 and it will be $50 from $25,000 to $50,000. It is expected that these provisions of the bill will draw to the provincial treasury $90,000. No par value stock is included in the levy.

C. I. L. TO ERECT POWDER PLANT FOR MANITOBA

Canadian Industries Select East Selkirk For Latest Venture

From Our Own Correspondent

MONTREAL — Canadian Industries announces that a new plant will be established at East Selkirk, Man., for the manufacture of commercial high explosives.

It was planned to go ahead with the erection of this plant several years ago, but due to the depression the project was shelved. Progress in the development of mining activities in the middle west since then has led Canadian Industries board of directors to sanction procedure with construction of the unit.

Will Cost $225,000

Costing $225,000, the factory, which will be the fourth of its kind in Canada, will provide employment for about 25 men at the outset, with the probability that the personnel will be increased if demand in the area served justifies it.

In commemoration of a name associated with the early history of the explosives industry in Canada, the new plant will be called "Brainerd Works" after Dr. Thomas Brainerd, who was one of the pioneering powder makers of the Dominion and a party to the formation of the present Canadian Industries organization.

St. Boniface Receipts Higher

In all the main classes except swine, livestock receipts at the St. Boniface stock yards in the first quarter of the year showed increases over the similar three-month period of 1933, as folows: Cattle, 57,713, (36,417 in 1933); calves, 12,972, (7,940); hogs, 125,970, (149,616); sheep, 40,881, (39,494) and horses, 3,406, (1,809).

Public Utility Earnings

Mexico Tramways

February:	1934 $	1933 $	Decr. $
Gr. earn.	195,068	224,861	29,793
Oper. exps. & deprec.	253,820	301,637	47,817
Net earn.	†58,752	†76,776	†18,024
Two Months ended Feb. 28:			
Gr. earn.	402,488	469,630	67,142
Oper. exps. & deprec. ...	523,867	629,143	105,276
Net earn.	†121,379	†159,513	†38,134

†Deficit.

Mexican Light and Power

February—	1934	1933	Decr.
Gr. earn.	688,295	766,775	78,480
Oper. exps. & deprec. ...	424,916	488,323	63,407
Net earn.	263,379	278,452	15,073
Two Months ended Feb. 28:			
Gr. earn.	1,421,538	1,585,643	164,105
Oper. exps. & deprec. ...	863,741	980,377	116,636
Net earn.	557,797	605,266	47,469

Brazilian Traction

March:	1934 dollars $	1933 dollars $	Increase dollars $
Gross earn. ..	2,324,793	2,316,174	8,619
Oper. exps. ..	1,179,008	1,080,262	98,746
Net earn.	1,145,785	1,235,912	*90,127
Aggre. gross from Jan. 1.	6,920,423	6,852,136	68,287
Aggre. net from Jan 1.	3,447,181	3,642,571	*195,390

*Decrease.

CHAIN STORE COS. SAY MULTIPLE TAX IS DISCRIMINATORY

Claim It is Unjust to Single Them Out for Special Taxes

Although the proposal of the Nova Scotia Government to tax chain stores is only expected to collect $10,000 in new taxes, chain store companies have been opposing it on the ground that it is discriminatory and unjust. They object in no way, they state, to pay taxes, municipal provincial or Dominion, which are levied on all business men in an industry alike, but they feel that it is not right to ask them to pay additional taxes which their competitors do not have to pay. The chain stores, they point out, have no advantages over the efficiently run independent grocery store, and a tax on the multiple feature over and beyond all other taxes is an unjust imposition in their view.

The bill to amend the Nova Scotia Revenue Corporation Act proposes to levy a minimum tax of $20 and a maximum tax of $100 according to the number of stores. For instance, the first five stores would pay $20 a store, the next five $50 a store and all stores over ten in number of a chain would pay $100 a store.

Eaton, Dominion Stores Involved

There are a number of chain store companies operating in Nova Scotia. The largest one, according to the minister introducing the bill, Hon. Angus L. Macdonald, has 23 stores. There are local chains and there are Dominion-wide chains such as the stores of the T. Eaton Co. and Dominion Stores. At the time of the last annual statement the latter company had 14 stores. The tax on the above basis would apparently be $750 on the Nova Scotia stores if they have not increased in the meantime or been reduced.

It is objected that there is no just reason why the first five stores of a group of 15 should pay $20 each and the last five $100 each. One Nova Scotian objector says that on the same basis a municipality might just as reasonably levy one tax on the first ten feet frontage of a man's lot and a higher figure on the next ten feet frontage and so on.

Is Multiple Feature Valuable?

It is recognized that taxation authorities can tax whoever and whatsoever and howsoever they like so long as jurisdictions of competing tax authorities do not overlap. The ultimate appeal is to common sense and sense of justice of governments, legislators and behind them the electors. It is said on the part of the governments that the multiple feature of chain stores is generally regarded as of value, that it gives buying power and therefore lower prices than individual stores can command and that as the government must have revenue it must collect it from those who have it.

It is claimed by chains, and apparently with justice, that independent stores and wholesale companies, have organized in such a way that the same advantages are now open to individual stores as to chain store branches.

Fraser River Shipping Active

Deep-sea shipping on the Fraser River has shown a large increase. In the three months of this year there have been 116 ships in the Port of New Westminster as against 86 for the corresponding period of 1933. If the same ratio of increase is maintained, there will be more than 500 vessels by the end of 1934.

There is no better investment than Dominion of Canada Bonds.

Dominion of Canada
4½% Conversion Loan Bonds
Due November 1st, 1958
(Callable on or after November 1st, 1948)
Price: 105 and interest, to yield 4.17% to maturity.
Mail enquiries will receive prompt attention.

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OUR WEEKLY LETTER
Contains an analysis of
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Sturgeon Falls, Ont. Iroquois Falls, Ont.
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Pine Falls, Man. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
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QUEBEC
OTTAWA
MONTREAL
BEAUHARNOIS
TORONTO
OCT. 1, 1934 Capacity.......... 250,000 h.p. Contracted for .. 204,000 h.p.
OCT. 1, 1935 Capacity.......... 400,000 h.p. Contracted for .. 296,000 h.p.
OCT. 1, 1938 Capacity.......... 500,000 h.p. Contracted for .. 400,000 h.p.

Already Contracted for—
400,000 *HORSE-POWER*

BEAUHARNOIS LIGHT, HEAT AND POWER COMPANY is now delivering power under long term contracts to The Hydro-Electric Power Commission of Ontario and Montreal Light, Heat and Power Consolidated, the latter being closely associated with the management of the Company.

Estimated earnings from *these contracts alone* will, by December 31st, 1935, amount to $2,737,000—or over $500,000 in excess of total Series "A" bond interest requirements.

These bonds are a first fixed and specific charge on the Company's properties and rights, and on its two above-named contracts.

Descriptive circular furnished upon request

BEAUHARNOIS LIGHT, HEAT & POWER COMPANY
First Mortgage Sinking Fund Bonds,
5½% Series "A", due January 1st, 1973
PRICE: . . . . to yield about 5.66%

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TODAY'S driving conditions put a terrific strain on tires. That is why you need the strongest and safest . . . Firestone, with their Safe-T-Locked cords. In this patented construction every part of the tire body is welded together with pure rubber so that everything moves as a single unit eliminating internal friction . . . the greatest enemy of tire life. For this reason alone it pays to buy FIRESTONE, but in addition you get

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Listen to the voice of Firestone every Monday evening, coast-to-coast N.B.C. system.

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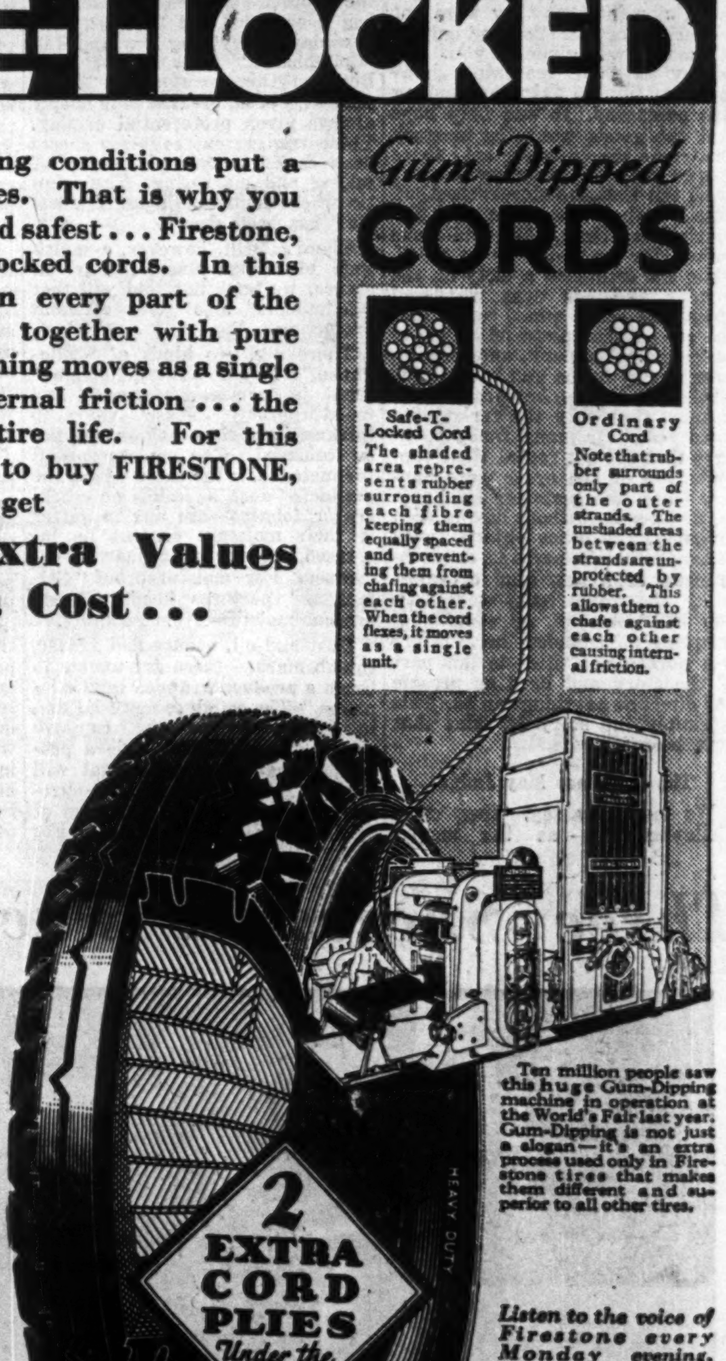
Gum Dipped CORDS
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The shaded area represents rubber surrounding each fibre keeping them equally spaced and preventing them from chafing against each other.
Ordinary Cord
Note that rubber surrounds only part of the outer strands. The shaded areas between the strands are unprotected by rubber. This allows them to chafe against each other causing internal friction.
2 EXTRA CORD PLIES Under the Tread
HEAVY DUTY
Ten million people saw this huge Gum-Dipping machine in operation at the World's Fair last year. Gum-Dipping is not just a slogan—it's an extra process used only in Firestone tires that makes them different and better than all other tires.

News of Investment Markets

BONDS STABLE DESPITE DECLINE OF U. S. DOLLAR

New Issues Expected and Several Municipalities Sold Bonds

Gilt-edged Canadian bonds continued to hold firm in the week ended April 24.

Western provincial bonds were featureless.

Corporation bonds remained in a firm but selective state, with gains confined chiefly to lower priced issues.

Persistence of the premium on American funds brought only slight relaxation of recent gains in gilt-edged issues. The Financial Post's average yield held near its low point for 1934, also the lowest yield basis since 1914, in a quiet market. The trend of yields on gilt-edged bonds, the reserve of prices, is shown below:

Average Yield on Seven High-Grade Canadian Bonds

	%		%
Apr. 24	4.034	Apr. 18	4.024
Apr. 23	4.030	Apr. 17	4.036
Apr. 21	4.033	Apr. 16	4.041
Apr. 20	4.023	Apr. 9	4.080
Apr. 19	4.024	Mar. 29	4.094

Despite further announcements from British Columbia government officials that drastic things may be planned for the province's bondholders, Western provincial issues remained at about the same levels as in the preceding week. The B.C. medicine may be inoculating these issues against the scare.

Corporation Bonds Firm

Significant of the strength of the corporation bond market, an issue of $6,000,000 of Maclaren-Quebec bonds is being talked about. And an issue of some $3,000,000 of St. John Drydock bonds, secured by Dominion subsidy is expected.

Gains among corporation bonds were marked by an advance in construction issues. Canadian Vickers 6's of 1947 gained four points to 63 bid. Gypsum, Lime 5½'s of 1948 were 2¼ points higher at 76¼. Among paper company bonds, Abitibi 5's of 1953 added 2½ points at 45 bid; Consolidated Paper 5½'s of 1961 were up 2¾ to 24¼; Howard Smith 5½'s of 1953 firmed 1¼ points to 93¼. Canada Steamships 6's of 1941 added 1¼ points to the gain of seven full points a week ago, finishing at 33¾ bid.

Golfers

60 CHANGES IN GOLF RULES

New Canadian Golf Association Book of Rules now ready. Come in and get one.

Our range of MACGREGOR and FORGAN GOLF CLUBS covers all the new features such as True Whip, Toe weight impact balanced. Beginners specially taken care of with instructions.

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Established 80 years in Canada, we stock from the cheapest to the best. Largest assortment in Canada to select from. A. L. & W. expert service to help you. You are invited to come in and enjoy yourself looking over the new Flies, Rods, Reels and thousands of items for the anglers.

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THE ROYAL BANK OF CANADA

Investment Notes

Significant Investors' Index Numbers

1926 — 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
Weekly Figures, 1934:										
Apr. 5	110.8	11.1	76.4	156.3	74.5	133.2	166.7	133.1	58.6	96.7
Apr. 12	113.9	11.5	76.4	155.2	74.0	137.6	165.4	133.8	58.7	97.2
Apr. 19	114.2	12.2	75.6	162.4	75.1	141.4	164.2	135.0	58.2	98.7

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Stock Position Strong

CONSERVATIVE and experienced brokers feel that there is great strength in the underlying situation of the present stock market except for the very high levels obtained by many mining shares. They realize that a good deal of this strength is due to United States money coming into Canada and that it is a vulnerable position because of the possibility of withdrawal of such funds in a critical time.

The greatest strength of the position is that there is a larger proportion of cash buying than ever in the experience of the exchange. A number of leading brokers report that the amount of stock held on margin in proportion to the total purchases is much less than it used to be. Some of them report that not 10 per cent of the stock, which they have been buying, has been bought on margin. That means that the brokers are in a very strong position with reference to the business they are carrying on their books and that a great deal of the buying is of an investment nature. People are holding shares either for income or for long term appreciation. Under present conditions there is little short selling to form a cushion to the market in case of liquidation by holders after some surprise event such as the recent taxation on gold output.

Loblaw Sales Volume Gaining

LOBLAW GROCETERIAS sales during the current fiscal year for the first forty weeks ended March 10, 1934, were $11,181,680 as compared with $10,827,143 for the same period in the previous fiscal year.

Sales for the four week period ended March 10, 1934, were $1,264,675 as compared with $1,054,884 for the same period in the previous fiscal year.

Net profits for forty weeks in the current fiscal year were $604,817 as compared with $660,504 for the same period in the previous fiscal year.

Net profits for the four week period ended March 10, 1934, were $63,177 as compared with $62,488 for the same period in the previous fiscal year.

Ford Expands Outside Canada

WALLACE R. CAMPBELL, president of the Ford Motor Co. of Canada, announces that there will be expansion of manufacturing facilities of the affiliated companies, Ford Manufacturing Co., Pty., Ltd., at Geelong, Australia, and Ford Motor Co., of South Africa, Ltd., at Port Elizabeth, South Africa.

Total expenditures in the construction of buildings to house additional plant facilities at Geelong and Port Elizabeth will approximate $200,000.

At Geelong, work has been started on construction of two additional bays to the manufacturing building where bodies and other Ford parts are fabricated. The extension will provide approximately 32,000 additional square feet of manufacturing space, required to meet the increased demand for Ford cars and trucks in Australia.

At Port Elizabeth, where a new Ford plant was completed only in 1930, two additional bays are being constructed now to provide 12,000 additional square feet for body assembly operations. The added space is necessitated by the tremendous improvement in the volume of Ford business in the territory served by the South African company.

CANADA NORTHERN SETS NEW MARKS IN FIRST QUARTER

Income and Output Move Forward — Customers Increase

From Our Own Correspondent

MONTREAL.—Further substantial growth is recorded by Canada Northern Power Corp., returns for March showing an increase in gross income of over 11 per cent over last year, while power production established a new high record.

Gross revenue for the month amounted to $327,442, an increase of $33,873 over the corresponding month of last year. Operating expenses were $17,245 above those reported in 1933, leaving net earnings of $217,855 as against $201,227 in March last year.

For the first quarter of the current year Canada Northern Power's gross income amounted to $995,254, a gain of $97,603 over that for the same period in 1933. Operating expenses increased from $270,604 to $314,443, leaving net operating income of $680,811, or $53,764 larger than in the first quarter of last year.

Output Sets Record

Canada Northern Power's output for the first three months of 1934 totalled 124,806,773 kw.h., an increase of 8 per cent over the output for the corresponding quarter last year. During last March the company produced 43,100,359 kw.h., constituting a record figure and 3,605,079 kw.h. in excess of the output for March of 1933.

The number of customers served by the company as at the end of March last totalled 13,550. This compares with 12,599 at the same time last year.

Northern Quebec Power Co., an operating subsidiary of Canada Northern Power, recently secured a life-of-mine contract for a block of power for the Lamaque Gold Mine, controlled by Teck-Hughes Gold Mines, which is developing a large property at Bourlamaque Township in Northern Quebec.

Twin City Turns Loss To Gain First Quarter

Twin City Rapid Transit Co. registers a happy change in the first quarter, of 1934 in that net income was $256,681 as compared with a net loss of $20,964 for the same quarter of 1933. Gross revenue was up 5.93 per cent to $2,344,796, operating expenses down 9.89 per cent to $1,592,465, and as a result of these twin improvements net revenue increased 68.64 per cent to $752,331. As fixed charges and taxes had only increased 6.12 per cent to $495,650, this was sufficient to change the loss of last year's first quarter to a profit this year.

P. E. I. Calls for Tenders On $300,000 of 4% Bonds

Province of Prince Edward Island is calling tenders up to noon May 1 for $300,000 of four per cent bonds in 10 and 20-year maturities, W. J. P. Macmillan, provincial treasurer advises The Financial Post. Purpose is "to fund certain expenditures."

Bonds will be dated May 1, 1934; will be issued in denominations of $1,000, or to suit buyer; will be payable at Toronto, Montreal and Charlottetown; and will carry an annual sinking fund of three per cent. Total debenture debt of the island province is $4,054,000 including the proposed issue, against which sinking funds have been accumulated of $758,707, it is stated.

Bond Sales

Joliette

City of Joliette, Que., has sold $51,900 of 4½ per cent, 15-year serial bonds to Gairdner & Co. at 97.326, a cost basis to the city of about 4.90 per cent. Bids were:

	Bid
Gairdner & Co.	97.326
Credit Anglo-Français	96.77
LaFlamme & Co.	96.52
L. G. Beaubien & Co.	96.13

Penetanguishene

Town of Penetanguishene, Ont., has sold $20,000 of 5½ per cent, 10-installment bonds, guaranteed by the county of Simcoe, to N. J. Robinson & Co. and W. M. Macdonald & Co. at 99¼, a cost basis of about 5.61 per cent. Bids were:

	Bid
N. J. Robinson & Co. and W. M. Macdonald & Co.	99.25
Dominion Securities Corp.	*98.50
J. L. Graham & Co.	*98.25

*Asked for option.

Gloucester

Gloucester, N.B., has sold $100,000 of 5½ per cent, 15-year bonds to the Provincial Bank of Canada and an unnamed Montreal bank at 95.

Charlottetown

City of Charlottetown, P.E.I., has sold $187,000 4½ per cent, 20-year sinking fund debentures to Dominion Securities Corporation at 101.27, a cost basis to the city of about 4.40 per cent. Bids were:

	Bid
Dominion Securities Corp.	101.27
Nesbitt, Thomson & Co.	101.07
Royal Bank of Canada	101.05
Wood, Gundy & Co.	99.564
A. E. Ames & Co.	99.26
Royal Securities Corp.	99.18
R. A. Daly & Co.	96.39

Goderich

Town of Goderich, Ont., has sold $10,000 of five per cent, 10-year debentures to local investors at 100.

MAKE OFFERING LONDON DIOCESE OF $1,250,000

Yield 5.08 Per Cent on Roman Catholic Bonds

A. E. Ames & Co. is offering $1,250,000 of five per cent first mortgage bonds, due 1954, of the Roman Catholic Diocese of London, Ont., at 99, to yield 5.08 per cent. The early sale is reported inactive.

The bonds are to be secured by deed of trust and mortgage on numerous properties of the Diocese. The issue was originally expected some weeks ago, but was delayed, it is understood, while various details were being completed.

The total issue is for $1,500,000, of which $250,000 has been taken by St. Peter's Seminary of London in settlement of indebtedness of the Diocese. A. E. Ames & Co. have purchased $650,000 of the bonds, and have obtained an option on the remaining $600,000.

Details of Issue

Details of the issue follow:

Borrower—Roman Catholic Diocese of London, Ont.

Amount—Authorized $2,500,000; to be issued in series A $1,500,000.

Dates—To be dated Jan. 2, 1934; maturing Jan. 2, 1954.

Security—First mortgage on various properties in and near London, Ont., to be secured by deed of trust.

Sinking Fund—Annual, commencing Jan. 2, 1935, sufficient to retire all series A bonds by maturity. The Diocese has the right to anticipate the annual requirements.

Additional Issues—May be made to the value of 60 per cent of properties acquired or buildings erected after Jan. 2, 1934.

Approval—Offering is made subject to: approval by solicitors for A. E. Ames & Co. and the Diocese; receipt of valuation report and auditor's report, the two latter being available.

Offering—$1,250,000 of series A bonds, bearing 5 per cent interest, by A. E. Ames & Co., at 99, yielding 5.08 per cent.

B. C. CONVERSION WHEN UNDERTAKEN MAY BE COERCIVE

From Our Own Correspondent

VANCOUVER. — In a frank statement, attorney-general Gordon Sloan, of British Columbia, has announced that British Columbia would close its courts to foreign bondholders, who did not accept the offer of the provincial government regarding conversion of bonds at a lower rate of interest under authority of the Revenue Act.

He disclosed the psychology of the new government's programme when he said "There are two classes always living off the taxpayer—the very poor and the very rich; the former receiving scrip and the latter coupons. We would have much happier times if we could eliminate both."

Mr. Sloan said that holders of British Columbia bonds would be asked to exchange their securities for bonds bearing a lower rate of interest or cash. He added, however, that the government had not decided when to exercise this power. No one wished to violate the sanctity of contracts, he said, but the province could not continue financing as it had in the past.

Curtiss-Reid Airways Will Surrender Charter

From Our Own Correspondent

MONTREAL. — Curtiss-Reid Airways, Ltd., has made application to the Secretary of State for leave to surrender its charter.

This company came into being a few years back for the purpose of manufacturing the Reid Rambler flying machine. The company also held the sales agencies in Eastern Canada for Curtiss-Robbins and Sikorsky planes, and sole Canadian agency for Blackburn-Blackbird English all-metal machine. A manufacturing plant was established near Montreal.

In 1932 the assets of the company were taken over by the Montreal Aircraft Industries, Ltd., the old shareholders receiving stock in the new company on the basis of one new no par value common share for each preferred share and one new share for each 40 shares of the old common stock outstanding.

U. K. Duty on Paper Helps Canadian Mills

From Our Own Correspondent

MONTREAL.—The British Government has put into force new import duty regulations covering the importation of foreign paper and board made from paper or pulp. The new duty, amounting to 20 per cent, applies to paper and paper or pulp boards, whether coated or otherwise treated in any manner, or not treated, other than kraft and kraft board.

Canadian paper enters Great Britain free, so that the increase of 5 per cent duty charges gives the Canadian manufacturers a further advantage over the products of Norway, Sweden and other foreign countries.

Bond Tenders

Noon, Apr. 28, Sorel, P.Q. — $100,000, 6 per cent bonds, dated May 1, 1934, due serially May 1, 1935 to May 1, 1944. A. O. Cartier, clerk.

12, noon, May 1, Prince Edward Island—$300,000, 4 per cent debentures, dated May 1, 1934. Bids asked on 10- and 20-yr. maturities. W. J. P. Macmillan, prov. treas., Charlottetown.

6 p.m., May 7, Saint Colomb de Sillery—$76,800 bonds, dated June 1, 1934, redeemable serially from June 1, 1934 to June 1, 1964, at 5 and 5½ per cent interest redeemable in 10 years. Bids for 5 and 5½ per cent in 10 years and 30 years separate. Roger Gagnon, sec.-treas.

Public Utility Earnings

Canada Northern Power

March:	1934 $	1933 $
Gross earnings	327,442	293,569
Oper. expenses	109,587	92,342
Net earnings	217,855	201,227
Three Mos. end. March 31:		
Gross earnings	995,254	897,651
Oper. expenses	314,443	270,604
Net earnings	680,811	627,047

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Wm. Davies A	6%	1942	May 1	104
Wabasso Cotton	*6%	1947	June 1	105
Can. For. Inv.†	7%	1949	June 1	105

*$10,000.
†$283,000.

Railway Earnings

Week end. Apr. 21:	1934 $	1933 $	Increase $
C. P. R.	2,191,000	1,834,000	357,000
C. N. R.	2,985,008	2,524,778	460,230

St. John Drydock $3,000,000 Loan Expected Soon

A new issue of bonds of St. John Drydock and Shipbuilding Co. will soon be made by Wood, Gundy & Co., according to unofficial reports. The new loans will be secured by fixed assets and by Dominion subsidy, as are issues now outstanding, it is reported.

While official details of the interest rate and amount of the issue are not available, the company had $3,208,177 of 5½ per cent first mortgage bonds outstanding early in 1933. The new loan, it is understood, will be to take the place of present issues, which will be redeemed. It is estimated, therefore, that the new issue will be for slightly over $3,000,000, representing the outstanding balance of bonds originally issued to the extent of $3,826,272. The new loan may carry a coupon rate as low as 4½ per cent.

Maritime Telephone Operations Strengthen

From Our Own Correspondent

MONTREAL.—Maritime Telegraph and Telephone Co. reported 37,695 stations installed at the end of March, 1934, as compared with 37,702 at the end of the previous month, a decline of only seven stations. The Island Telephone Co., a subsidiary, on the other hand, reported 5,431 stations installed at the end of last month, a gain of eight over that reported in February.

The improvement in operations of Maritime Telegraph and Telephone was reflected in the long distance toll traffic. Returns for March were greater than those for the previous month and also in excess of those reported for March, 1933. The number of completed calls was 83,690, or 95.6 per cent of all calls made.

Gair Company Canada Set Capital at Million

From Our Own Correspondent

MONTREAL. — Gair Co., Canada Ltd., formed for the purpose of taking over the bankrupt assets of Canadian Paperboard Co., has taken out Dominion incorporation papers. The new company, which will have its head office in Toronto, has an authorized capital stock of $1,000,000 divided into 100,000 shares of the par value of $10 each.

Quinte and Trent Valley Power Co. Seeks Relief

From Our Own Correspondent

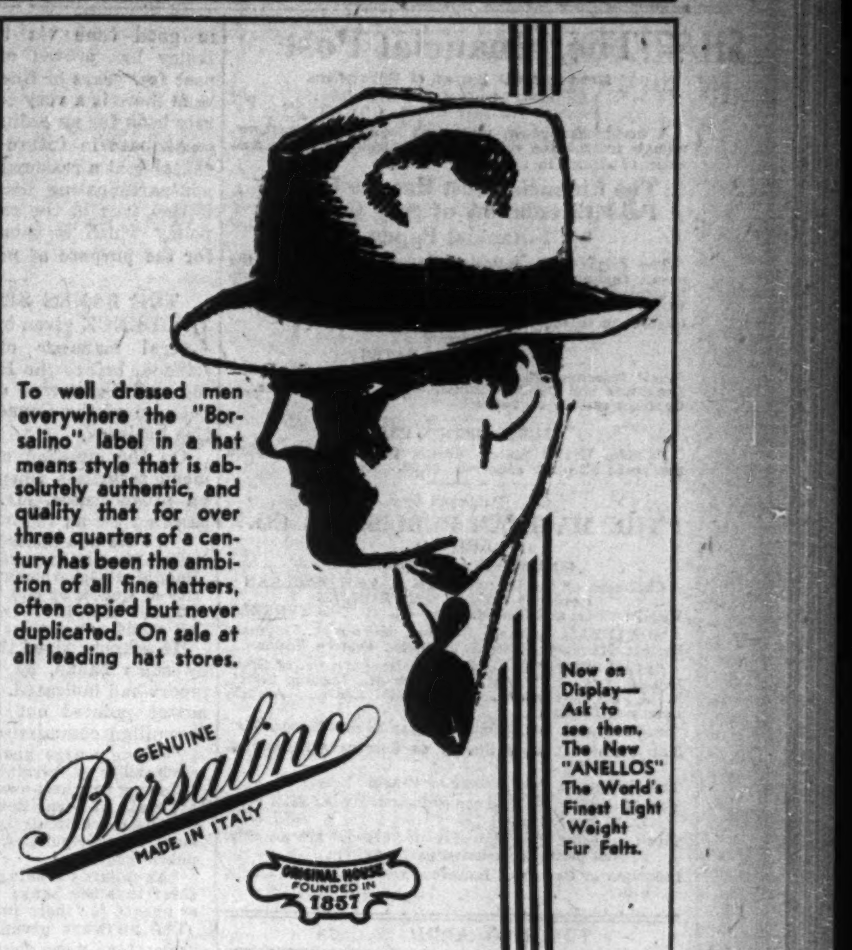
MONTREAL. — Holders of the 6 per cent first mortgage sinking fund bonds of Quinte and Trent Valley Power Co., at one time part of the Canadian Paperboard set-up, will meet in Toronto on May 21 to consider resolutions permitting the company to waive interest payments during the 36 months from July 1, 1934, to July 1, 1937; and for the period of 24 months mentioned in extraordinary resolution passed at the meeting of the bondholders on June 21, 1932, and for the previous period of 18 months mentioned in the resolutions passed on December 29, 1930. On July 1, 1937, the interest will become due and payable, though under the terms of the resolution the company will have the privilege to anticipate payment at an earlier date.

According to latest report, Quinte and Trent Valley Power has outstanding $614,800 of bonds. These were issued originally in July, 1925.

B. C. Pulp Bondholders To Consider Concessions

From Our Own Correspondent

MONTREAL. — Holders of British Columbia Pulp and Paper Co. 7 per cent general mortgage sinking fund bonds have been notified that a meeting will be held in Montreal on May 22 next for the purpose of voting for or against a resolution providing for the postponement of interest between May, 1932, and November 1, 1934, to May 1, 1936. Interest of 7 per cent will be paid on the unpaid interest, while the company reserves the right to make prepayment from time to time on 30 days notice. In addition the bondholders will consider the advisability of cancelling sinking fund payments which fall due in 1935, 1936 and 1937.



To well dressed men everywhere the "Borsalino" label in a hat means style that is absolutely authentic, and quality that for over three quarters of a century has been the ambition of all fine hatters, often copied but never duplicated. On sale at all leading hat stores.

Now on Display— Ask to see them. The New "ANELLOS" The World's Finest Light Weight Fur Felts.

GENUINE Borsalino MADE IN ITALY
ORIGINAL HOUSE FOUNDED IN 1857

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Joliette, P.Q.	April	Gairdner & Co.	4½%	1935-49	$51,900	97.326	4.90%
Penetanguishene	April	N. J. Robinson & Co., and W. M. Macdonald & Co.	5½%	10-ins.	20,000	99.25	5.61%
Gloucester, N.B.	April	Provincial Bank	5½%	15-yr.	100,000	95.00	.....
Charlottetown, P.E.I.	April	Dominion Securities	4½%	20-yr.	187,000	102.27	4.40%
Goderich	April	Locally	5%	10-yr.	10,000	100.00	5%
Dominion—							
Treasury Bills	Apr. 17			Oct., 1934	13,400,000	.....	2.71%
				July, 1934	1,600,000	.....	2.41%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

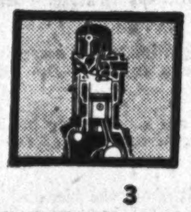
Bond Issues—	Date	Offered by	Rate	Due	Amount	Price	Yield
R. C. Diocese of London	April	A. E. Ames & Co.	5%	1954	$1,250,000	99	5.08%
Stock Issues—							
Clover Gold Mines	April	Brooks, McCartney & Co.	...	....	300,000 shs.	25c	.....
Norco-Thompson Mines	April	Strickland & Co.	...	....	....	35c	.....
Smith Cobalt Mines	April	Cobalt Securities Co.	...	....	250,000 shs.	20c	.....

A DOZEN QUESTIONS— —A DOZEN ANSWERS

Tell you how CHEVROLET GIVES REVOLUTIONARY VALUE in the Low-Price Field

1
Does Chevrolet give the FLOATING RIDE?
Yes—with genuine "Knee-action" wheels and these exclusive contributing features: Improved steering, balanced weight and springing, large-section balloon tires and new "YK" frame.

2
Is the new "Blue Flame" Cylinder Head exclusive?
Yes. Only the Chevrolet engine gives you this revolutionary new advancement that will save Chevrolet owners thousands of dollars on gas, with smoother performance.

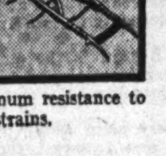


3
Is it true that Chevrolet gives greatly increased horsepower with even greater economy?
That is a fact. The new Blue Flame head gives more power, more speed, quieter operation and livelier "pick-up"—at lower cost for gas and oil!

4
Are the Fisher Bodies roomier?
Yes. They offer greater leg room; and the seats are several inches wider. Interior upholstery and appointments are finer. There is a smart new instrument panel with glove compartment.

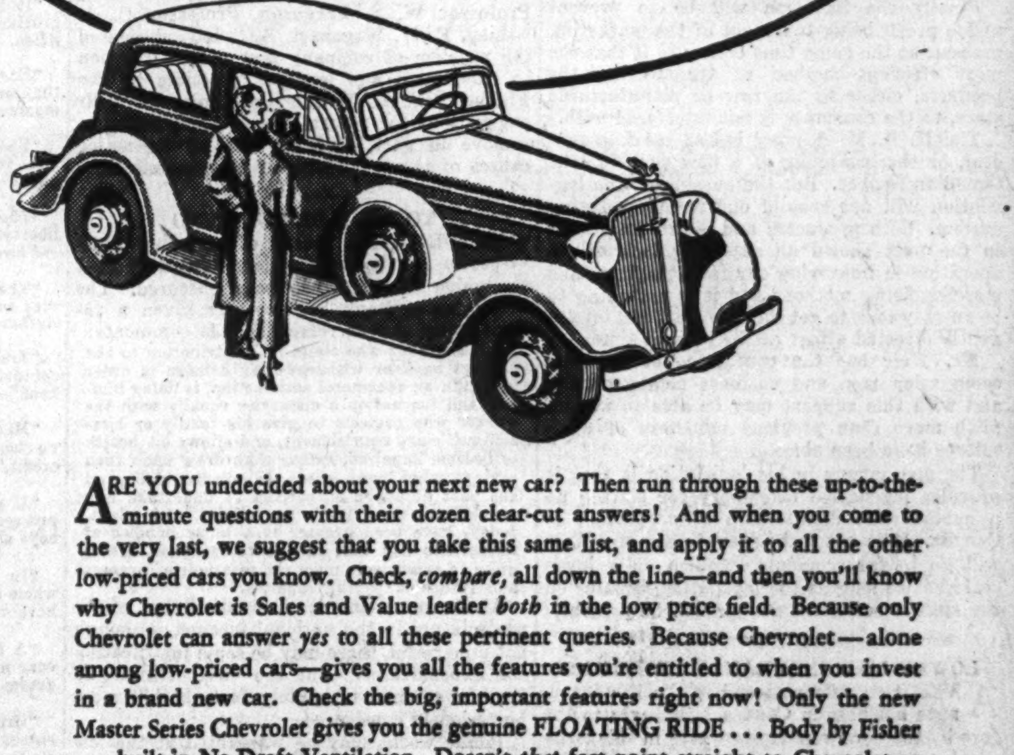
5
Is Chevrolet the Sales Leading Car?
Yes. The strongest endorsement for Chevrolet is the fact that car-buyers have given it outstanding sales leadership over all other cars in Canada (and the world!).

6
What type of Frame has the new Chevrolet?
The new, exclusive "YK" type. Built like a bridge, this modern Chevrolet frame is many times stronger than any formerly used. It has maximum resistance to twisting, weaving strains.



7
What are the features of the new Brakes?
They are larger, more powerful and positive in action. Sealed against dirt, oil and water. Linings are wider to last longer. Drums have machined cooling fins for long life.

8
How much does it cost to own a Chevrolet?
The delivered price of the Master Series Chevrolet at factory, Oshawa, Ont., inclusive of everything except Government license fee and freight, is as low as $844
The Standard Series Chevrolet as low as $710
Easy GMAC terms.



ARE YOU undecided about your next new car? Then run through these up-to-the-minute questions with their dozen clear-cut answers! And when you come to the very last, we suggest that you take this same list, and apply it to all the other low-priced cars you know. Check, *compare,* all down the line—and then you'll know why Chevrolet is Sales and Value leader *both* in the low price field. Because only Chevrolet can answer *yes* to all these pertinent queries. Because Chevrolet—alone among low-priced cars—gives you all the features you're entitled to when you invest in a brand new car. Check the big, important features right now! Only the new Master Series Chevrolet gives you the genuine FLOATING RIDE . . . Body by Fisher . . . built-in No-Draft Ventilation. Doesn't *that* fact point straight to Chevrolet as your one best choice in the low price field? And don't forget—Chevrolet also offers you the lowest-priced car in Canada,* a Six, with easy GMAC monthly terms.

*The new CHEVROLET STANDARD SIX, now on display at our showrooms.

CHEVROLET
A General Motors Value — Produced in Canada

9
How does the Starterator simplify starting?
This feature does away with the conventional starter button. You simply press down on the accelerator and the engine starts. The danger of stalling is abolished.

10
What are 4 great advantages of improved No-Draft Ventilation?
The genuine Fisher system of built-in ventilation. Rain or snow cannot enter. Plenty of fresh air without drafts. No clouding of windshield or windows.

11
What are the improvements in Gear Shifting?
Refined Syncro-Mesh transmission prevents clashing of gears. Easy to shift from high to second on hills and in emergencies. "Silent Second" gear is helical-cut for quietness in acceleration.

12
How does Chevrolet's "Dependability" record compare?
Chevrolet is the proved low-priced car. Thousands of Chevrolet Six owners will tell you that no other low-priced car gives so much trouble-free service for so little money. Ask your nearest neighbor with a Chevrolet.

C-748

. . . for economical transportation CHEVROLET

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

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TORONTO, APRIL 28, 1934

AIMS OF FARM MARKETING STATED BY MR. WEIR

ONE of the most informative speeches delivered in the House of Commons this session was that with which Hon. Robt. Weir, Minister of Agriculture, introduced his bill for the improvement of methods and practices in marketing our natural products, particularly those of the farm.

Mr. Weir outlined the farm marketing machinery of Canada and discussed some of the reasons why the farmer does not receive a higher percentage of the price paid by the ultimate consumer. He did not attempt to charge anyone with cheating the farmer nor did he declare that the whole system of marketing of farm products was in need of radical revision. Rather he examined the problems involved in getting goods from the farmer to the ultimate consumer and then outlined some of the places where he felt that positive improvement could be attempted. Mr. Weir made it clear that in his opinion farmers would have to provide a more uniform supply of products; would have to prepare them better for market and give greater assurance of uniform quality. With such a foundation on which to build a marketing system, he believes that something can be done to reduce the costs of distribution without cramping in any way the operations necessary to bring the producer and the consumer together.

Mr. Weir made some pointed criticisms of the existing co-operative marketing organizations in Canada and his most telling point was that the co-operative organizations devote too much attention to the marketing of their products and lose sight almost completely of the improvement of quality and the continuity of supply.

The N. P. M. A., he says, is flexible and covers wide ground in order to permit producers to work out the best possible marketing schemes without restriction. He outlined the three basic principles of his measure:

The first principle is to give to the producers the control, regulation and marketing of their own products where they are in a position to organize.

In the second place, encouragement is to be given to the production of high quality products in a planned way so as to furnish continuous supply to the market.

Finally the intention will be to prevent undue profit being taken out of the marketing process, at the same time seeing to it that the most efficient method of transferring the products, either in the raw or manufactured state, to the consumer is not interfered with.

The N. P. M. A. may indeed mark a new deal, or the beginning of a new deal, for the Canadian farmer. But the passing of the legislation will not rebuild our farm marketing system. Both producers and distributors have in the past shown an appalling lack of cooperation in improving our farm products and merchandising methods and it is not going to be an easy task to get their support and intelligently directed effort at the present time.

Mr. Weir has the confidence of farmers, commission men and business men generally and with this support may be able to accomplish more than previous ministers of agriculture have been able to.

The one danger in his legislation is that it provides legislative machinery for setting up a bureaucratic dictatorship of production in Canada. It is not to be feared that Mr. Weir will go in for economic Fascism on a large scale but so long as the legislation remains on the statute books the danger will be present.

LOWER LIFE INSURANCE PREMIUMS

A VERY significant trend in the life insurance business in Canada is brought to the fore by the news report elsewhere in this issue of a revision in the premium rate schedule of the Canada Life Assurance Co. in respect of its participating policies. This leading Canadian company has announced an entirely new set of rates which reduces the "spread" between the cost of its participating and non-participating policies by as much as three dollars per thousand of insurance.

Over six years ago a leading editorial in The Financial Post drew attention to the fact that life insurance was one of the few businesses in the world which prospered by overcharging its customers for the commodity they bought and returning this surcharge subsequently in the form of dividends. At that time attention was drawn to a small group of companies which were inaugurating the plan of reducing this "surcharge" and offering participating insurance at only a small differential above non-participating rates. The prediction was made at that time that this was a move in the right direction and one which would find increasing favor among life insurance companies and among policyholders.

Since then a considerable number of Canadian life companies have introduced some type of low-initial-cost participating policy into their manuals and an increasing volume of business has been sold on this basis. In many companies the pendulum has swung even farther with an abnormal increase in the sale of non-participating policies. The action of the Canada Life focuses attention sharply on this tendency and may quite easily lead to similar action on the part of other leading life companies which still write the bulk of their business on a high-initial-premium plan.

Undoubtedly the high loan and surrender value built up by life insurance policyholders in good time via the high-initial-premium policy has proved of real value during the past few years of financial strain, at the same time there is a very real place in the insurance rate book for an ordinary life policy which will participate in future profits and yet is purchasable at a reasonable cost as compared with non-participating life insurance. Particularly is this true in the case of an "ordinary" life policy which is usually purchased primarily for the purpose of protection.

THE BANKS SECURITY DEALINGS

EVIDENCE given by Morris W. Wilson, general manager of The Royal Bank of Canada, before the House of Commons Banking and Commerce committee, clears up the position of the Canadian banks in the securities business.

On the question of whether banks recommend securities when they place their names on prospectuses, Mr. Wilson stated his own bank's view as follows:

> "We are in a limited way in the security business. We put our name on a prospectus selling Dominion Government, or provincial bonds, or city of Quebec or city of Montreal securities, and we feel that if we recommend them otherwise we would not put our name on the prospectus."

He acknowledged that there had been abuses by some banks, as the Canadian Macmillan report had indicated. One member of the committee pointed out to Mr. Wilson that the Macmillan commissioners did:

> "Strongly urge upon the Canadian banks the advisability of refraining from dealing in, or distributing for their own account any but the highest class of securities available in the country, and more particularly those issued by governments, municipalities and other public or semi-public bodies.
>
> "As regards trading in stocks we do not consider that the banks should act otherwise than as agents for their customers...."

The answers given by Mr. Wilson to these suggestions were that the banks never did act as anything but agents in handling transactions in stocks, and that he is "fed up" with corporation financing as far as the Royal Bank's bond department is concerned.

Banks have long had the right, and should continue to keep the right, to deal freely as merchandisers of securities of governments, municipalities and other public or semi-public bodies. Banks should act solely as agents in the execution of orders for corporation securities, whether stocks or bonds. It appears that this is what banks are now doing and will probably continue to do. In this, the banks will be following the Macmillan commission's suggestions, which, in turn, were in precise agreement with the recommendations made initially by The Financial Post.

COMPANY LAW AS FACTOR IN UNFAIR COMPETITION

BEFORE the Stevens enquiry has finished its work, it should find time for listening to some expert evidence on the laws under which companies derive their being in Canada. Canada's company law is not at all satisfactory. There are ten different authorities chartering companies and a certain amount of competition goes on between them. Mr. Stevens has some ideas on the manner in which competition in trade breaks down ethical standards designed to protect the public. Competition in the granting of charters must likewise and does lead to a lessening of protection afforded the investor.

One of the primary difficulties of business today is that during the boom era many old-established companies were bought out at excessively high prices and were resold to the public by means of bonds and stock issues at a still higher price in order to permit the promoter or group of promoters to garner a large profit. An almost impossible burden has been put upon management to sustain the excessive capitalization that resulted and it is not to be wondered at that rather ruthless competitive methods should have been resorted to by desperate executives.

Uniform company acts as between all the provinces and the Dominion prevent competitive granting of charters, and stronger company acts to prevent the worst abuses of overcapitalization, abstraction of control from shareholders, etc., are badly needed.

Various well-informed writers, including Professor W. S. Ferguson, Professor C. A. Ashley, F. W. Wegenast, K.C., have discussed the problem of company law and its relation to investment and business practices in The Financial Post. Within the limits of their suggestions for reform lies an opportunity to remove in part, at least, one of the major causes of the breakdown of business ethics.

TO SAVE OR TO SPEND

SPENDING as a means of restoring prosperity has been so widely advocated that the value of thrift has been obscured. The Westminster Bank has recently given a rational view that is refreshing. It comments:

> "The worker who omits his contribution to the savings bank or withdraws his balance in order to obtain an ephemeral satisfaction, is doing himself and the nation a disservice equally with the worker who neglects to give his family or himself sufficient nourishment, and allows his health to become impaired, rather than draw upon such savings when need arises. Similarly, ability on the part of public authorities to undertake new expenditure must needs be relative, and might, today, have been greater if a large number of authorities had not, in the recent past, drawn quite so extensively upon the reservoir of present and future taxpaying capacity."

At the same time it is admitted that where projects are in the national interest, although not unharmful, there may be some justification for expenditures. But the circumstances of those that must ultimately foot the bill must be seriously considered.

Public works may be warranted at the low interest rates available in Britain that would not be warranted at Canada's higher interest rates. And they may be undesirable if industry itself can find profitable means of making capital outlay. The influence of spending policies may also be exaggerated. The Westminster Bank remarks:

> "When all is said and done, however, it is well to remember that the results of any policy adopted as regards spending and saving may ameliorate or intensify the present depression, but cannot abolish its main causes."

Spending wisely may help recovery. Unwise spending will retard it, no matter how present-day Ponzis may scheme to borrow ourselves rich.

FELLOWSHIP ABOVE CHARITY

THE fraternal associations have lightened the impact of the economic crisis upon their millions of members. In a spirit of fellowship that goes above charity, the members have seen each other through. The encouragement that the fraternal insurance organizations give to thrift has been a factor in keeping many thousands of people off the bread line.

The savings banks and the life insurance companies have frequently been given their mead of praise. But in a little different way the fraternal organizations have contributed splendidly to the stability of society.

Glancing through the current issue of the Independent Forester, one sees many interesting items concerning the work of the Independent Order of Foresters, founded in Canada by Oronhyatekha, full-blooded Indian. It is now a great organization, international in scope and financially sound.

The I. O. F. shows a surplus of $1,800,000. Last year, over $4,900,000 was paid to members and their beneficiaries. Yet, as Supreme Chief Ranger Frank E. Hand, is reported in the issue as saying, "In the I. O. F. you get nothing but what you contribute for."

A letter is published from the White House acknowledging contributions to the Warm Springs Foundation of President Roosevelt.

A letter from the Supreme Chief Ranger promises members that the I. O. F. has no intention of trespassing on the recognized fields of banking or commercial insurance organizations.

The financial statement shows that since organization the total payment to members and their beneficiaries have exceeded $119,000,000.

Well may the editor of the Forester say that the contribution was made possible "through the spirit of unselfishness, the spirit of brotherhood, by the services of men and women in town and village who assembled to plan the social life of their community and proclaim the gospel of Christian fraternity."

WHOM DOES HE MEAN?

SPEAKING in the House of Commons, Hon. Robt. Weir, Minister of Agriculture, stated that in his opinion a large amount of the spread between what the producer gets and the consumer pays can be traced to the producers who do not always provide a certain quality of goods and a uniform volume.

Said Mr. Weir:

> "This condition of affairs has had a very unsettling and disturbing effect upon the primary producers of the country; and this effect has been increased and accentuated by the press and by the great number of public and political speakers, who have gone through the country stirring up the producers by telling them that they were not receiving a fair share of the consumer's dollar and were being exploited by the middlemen."

To whom was Mr. Weir referring? We seem to recall some of his own colleagues who have been stirring up suspicion in the manner he deplores.

EDITORIAL NOTES

"Oh to be in England"—when budgets come down.

* * *

Calling attention to the fact that the new Burlington Zephyr will do 104 miles an hour, the New York Times says we are now faced with the problem of what to do with the additional leisure at the end of the trip. A great many people will spend it discussing the anti-social effects of modern science.

Sayings of the Week

"I hate fishing."—*Mrs. Franklin D. Roosevelt.*

* * *

"I am a tough guy."—*President Roosevelt.*

* * *

"A dole is unsound and historically discredited."—*Raymond Moley.*

* * *

"In any case, modesty should be practised in moderation."—*Heywood Broun.*

* * *

"I like and enjoy jazz in its proper place—the dance hall."—*Sir Henry Wood.*

* * *

"The intelligent young man reads, then looks forward."—*E. L. Cord, American industrialist.*

* * *

"No country can ever achieve prosperity again until the world is prosperous."—*Sir George Paish.*

* * *

"Business cannot be merely an acquisitive game, every man for himself."—*Harry Emerson Fosdick.*

* * *

"Every generation has a dominating social task. Let ours be the elimination of slums."—*The Prince of Wales.*

* * *

"Economic nationalism is not a disease, but a symptom of the coming of a leisure state."—*Rt. Hon. Walter Elliot.*

* * *

"Athletics are now a legitimate and essential part of a well-rounded college career."—*Dr. Nicholas M. Butler.*

* * *

"As an economist, I am a very fair banker."—*Morris W. Wilson, general manager of the Royal Bank of Canada.*

* * *

"If anything is new, it is not the ideas which are supposed to belong only to this generation."—*G. K. Chesterton.*

* * *

"It is sheer folly to imagine that England can provide her own food supply."—*Sir John Sandeman Allen.*

* * *

"Economic problems are much more complicated than ours."—*Sir Arthur Stanley Eddington, famous mathematician.*

* * *

"I am indifferent to what the present thinks of me. What the future hopes from us, we will accomplish."—*Adolf Hitler.*

* * *

"There is no such thing as a compromise with liberty. Liberty cannot be blended or adulterated."—*Fiorello LaGuardia.*

* * *

"The reforms that President Roosevelt has initiated would not have shocked Disraeli."—*Rt. Hon. Sir Arthur Steel-Maitland.*

* * *

"Tradition is the accumulated common sense of centuries—a sort of ballast to keep us on an even keel."—*Sir Arnold T. Wilson.*

* * *

"Mentally, some men and women never grow old, no matter how many years they have to their credit."—*William Lyon Phelps.*

* * *

"If we consciously permit people to profit by the proceeds of war we pretty well deserve to have our boys shot down."—*J. S. Woodsworth, M.P.*

* * *

"In fifty years, it is altogether probable, the whole system which we know as 'business' today will have vanished from the earth."—*John Dewey.*

* * *

"A dictatorship is like a giant beech tree. It is very magnificent to look at in its time but nothing grows underneath it."—*Rt. Hon. Stanley Baldwin.*

* * *

"Great Britain is the only great power with a stable government elected on a popular basis."—*Sir Bolton Eyers-Monsell, First Lord of the Admiralty.*

* * *

"One very plain lesson of history, especially of Europe in recent years, is that you cannot keep more freedom than you are really fit for."—*The Dean of Wells.*

* * *

"To love one's neighbor as one's self is not a mere pious sentiment; it is every whit as much a law of life as fresh air is to the body."—*Sir Wilfred Grenfell.*

* * *

"A creditor country, with investments abroad, that will not take its interest in produce, is putting the first nail in the gold standard coffin."—*Sir Josiah Stamp.*

* * *

"The problems of an economic crisis cannot be solved by the expenditure of public money for unemployment relief."—*Archdale Parkhill, Postmaster-general of Australia.*

* * *

"The policy of dictatorship will never go down in this country because it would mean the end of democracy."—*Rt. Hon. J. H. Thomas, Secretary of State for the Dominions.*

* * *

"Among the assets of Canada the combined ability and devotion of the present Prime Minister of Canada must be of the greatest value."—*Rt. Hon. Sir Arthur Steel-Maitland.*

* * *

"Americans, who thought they were the best-governed country in the world, are now finding out what I always said, that they were the worst-governed."—*George Bernard Shaw.*

* * *

"Prices should be coming down. During this slack period we should have learned more efficient methods and we should have acquired so much more skill as to give the world what it needs in greater quantity of better quality at lower prices."—*Henry Ford.*

* * *

"The whole theory of the N.R.A. of increasing wages and shortening hours to hasten recovery is wrong. If that theory was correct, the President should immediately impose a two or three day week at greatly increased wages."—*Gen. W. W. Atterbury, President, Pennsylvania R. R.*

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By J. L. BURTON LEWIS

Japan's New Policy on China

GREAT Britain has thought it advisable to seek clarification of the latest Japanese declaration regarding peace in East Asia, yet the intent of that statement seems thoroughly clear. Japan appears simply to have pledged herself anew to the "open door" policy for China—to the open door as an exit through which all Western Powers shall depart and leave Nippon in undisputed control.

It is probable this view will still stand, even after the British reply has been received, but the note sent by Sir John Simon, recalling to Japan her treaty obligations, may alter the present tense situation in at least one important particular. By replying, Japan may be forced to record her statement of policy as an official text, and thereby provide a basis for action by other powers.

The method employed by Japan in expressing her determination to dominate China, under the guise of "accepting responsibility for the peace of East Asia," is no less surprising than the declaration itself. No printed manifesto was issued. An "unofficial statement of policy" was made to the press by Eiji Amau, Foreign Office spokesman. Later an "unofficial translation of Amau's unofficial statement" was distributed by the same spokesman. Japan insists that the considered judgment of her government has been made clear, yet the outline of policy which caused consternation in many chancelleries has appeared in no form other than translations of newspaper reports of a verbal utterance. Two distinct versions are in circulation.

* * *

EVEN when allowances are made for discrepancies, however, and despite the fact that the British note is the first move toward regularizing the situation, little doubt can exist regarding the meaning of the original and supplemental statements of the Japanese Foreign Office.

Japan declared that she alone is guardian of peace in East Asia; that what goes on between China and Japan is strictly their own business, and no other nation or nations will be allowed to interfere; that "any attempt on the part of China to avail herself of the influence of any other country in order to resist Japan" will be opposed; and that Japan alone will judge whether outside proffers of aid to China are acceptable or not. In the first version of the manifesto—the more candid one—it was declared that "Japan must break China's anti-Japanese movement."

The declaration is designed to bar sales of military airplanes to China; to bring an end to non-Japanese loans of money, military advisers or flying instructors to China; and to terminate co-operation of League of Nations technical bodies in Chinese reconstruction.

Japanese officials have sought to argue that these demands do not violate the "open door" provisions of the nine-power Treaty on Chinese Integrity, to which she is a signatory. But this position cannot be supported in view of the fact that the compact pledges "the fullest opportunity to China to develop herself." There was no provision for Japanese hegemony over that development.

* * *

THE Japanese statement of policy seems to have been timed to precede the meetings on May 14 of the League of Nation's Manchurian Committee and the Council's Committee on Chinese Reconstruction. The supplemental declaration by Japan asserted: "The time has passed when other powers or the League of Nations can exercise their policies for the exploitation of China."

The reference to the League apparently is based upon the fact that Dr. Ludirk Rajchman, Polish representative of the League, is now on his way from China to Geneva. While it is his task to advise China technically, there is some thought that he will recommend to the League a project for international control of China and favor large scale loans. This plan would be in line with the Assembly resolution proposing that the Western world, through League agencies, provide funds and experts required to reconstruct and unite China.

At the same time, two former members of the League secretariat are already actively aiding China in raising money. These are Sir Arthur Salter, who has been advising China on economic policies, and Jean Monet, of France, who helped arrange the American wheat and cotton loans.

While Japan characterizes such activities as "exploitation of China," it is more realistic to believe that she fears an adequately financed and advised China would become a united China, and that this would dissipate Japan's dream of commercial and military sway over Asia. And it can also be accepted that such aid as the United States has extended is opposed for the same reason.

* * *

WHETHER Japan can give effect to her manifesto or not, depends more upon the attitude of China than upon the actions of the other countries to which it was seemingly addressed. Certainly the United States will take no steps to keep civilian aviators from training the Chinese in times of peace, nor will it consult Japan regarding what kinds of loans it will make. Britain has made it clear that she will not accept Japanese dictation and it is to be presumed that nations belonging to the League will feel the same way. But Japan might either compel or persuade China to join in the programme she has outlined. While most powers would resist any efforts to coerce them directly, there is no way of guessing what international steps would be taken if pressure were placed upon China alone.

Further, there is no way of telling to what extent China has already agreed to the Japanese position. In Tokio it is contended that General Huang Fu, commissioner for North China of the Nanking Government, Generalissimo Chiang Kai-shek, Nanking dictator, and Premier Wan Ching-wei, have all tacitly accepted Japanese exclusive domination of Far Eastern affairs.

This claim has been vigorously denied, but the denials have come chiefly from members of the Canton faction, rather than the government. The Chinese public, to the extent that it is conversant with developments, is bitterly opposed to the Japanese position. But there is also a feeling that the leaders are making a deal with Japan which the public cannot prevent.

The official Chinese position, however, is that the only threat there has been to peace in the Far East in the past 30 years has been provided by Japan. She argues that Japan has not very clean hands as she assumes the rôle of "dictator of the peace."

"The surest guarantee of peace," declared Dr. Wellington Koo, former Foreign Minister, "is to be found, not in Japan's abstention from the friendly collaboration of the Western powers with China, but in the abandonment by Japan of her policy of ruthless imperialism in Asia and in her scrupulous respect of her treaty obligations."

* * *

UPON that issue of treaty obligations, a Japanese Foreign Office spokesman has already stated that Japan would not consider having the signatory powers of the nine-power treaty decide what constitutes a threat to peace, as provided by the compact.

"Japan alone is capable of enforcing peace in the Far East," he said, "and the nine-power treaty is no longer applicable to the realities of the situation."

And what is China's independence worth if she is not free to seek assistance where she pleases? Japan answers: "China is a condition, not a theory. She has not been brought nearer to unity by the nine-power treaty. Now it is time to try Japan's way."

When Japan talks of realities it seems to mean, in the words of the New York Herald Tribune: "Not so much Asia for the Asiatics as China for the Japanese."

It also means, if Japan holds to her present position, that the territorial basis for present naval treaties is to be swept away, and that Japan will take into the 1935 conference both a trading point and a threat which might force upon the Western world a new race for naval supremacy.

In the Mail

Criticism and Mr. Stevens

Editor, The Financial Post:

We have been a subscriber and reader of your paper at least since 1928 and in case you will think us leaning toward the C.C.F. movement will inform you first, that we supported R. B. Bennett and are not worried whether he is or may become a real, live dictator.

The occasion of this comment is the way The Post depreciates and throws cold water on the Stevens investigation. They evidently do nothing to suit your point of view.

Would it not be a better country in which to live if the manufacturers with their employees, together with the independent retailers and those they employ were doing a profitable business?

Who in this fair country of ours pays more in taxes than the above? Who would it hurt if the manufacturer was compelled to sell at one unit price to all those retailing? Why should a big purchaser be able to buy his goods 10, 20 and 30 per cent lower than the smaller buyer with an allowance of $200 to $300 per month for advertising?

Will you tell your readers what good it does this country to let all the money get into the hands of a few, as exemplified with our great pulp and paper industry and its organization and reorganizations of such firms as Consolidated Investment Corp., the London Canadian Investment Corp., Port Alfred Pulp and Paper, Anticosti Corp., Simpson's Ltd. and many others? Why not tell the country of the rotten management of some of the above companies and how many millions of dollars these gentry made who are now sitting in luxurious offices in Toronto and Montreal trying to dictate policies of government and papers.

These matters would be a great deal more in keeping with an independent paper than the ridicule of an honest attempt to correct abuses such as the Stevens commission has in mind.

Prince Albert,
April 12, 1934. Subscriber.

Editor's Note: To the exposure of unfair competitive practices in trade and to the exposure of predatory finance, The Financial Post has for 27 years made contributions more notable than the Stevens Committee will be able to make. Only one criticism has yet been voiced of Mr. Stevens' efforts; that he is undermining his own possibilities for useful work by permitting the committee's work to be carried on in an atmosphere of prejudice. The criticism is intended to be, and is in fact, constructive. Of ridicule, there has been none.

Other People's Views

St. Lawrence Waterways Again

Three Rivers Le Nouvelliste — President Roosevelt seems to hesitate to drop the St. Lawrence waterways project. Unless the Senate can be persuaded to reverse at an early date its adverse vote on the draft treaty, Mr. Roosevelt thinks Canada will go on with the enterprise alone, in which event he says the Dominion alone will enjoy the benefits that "must accrue from the scheme." That seems to disturb the President of the United States. Audacity is not lacking at Ottawa, but however favorable Mr. Bennett may still be for ratification of the treaty that he negotiated with Mr. Hoover while the latter was President of the United States, it may be doubted whether the Prime Minister would find the Dominion today in a position to assume the burden of such an extravagant enterprise. The Canadian taxpayer is already suffering under a crushing burden of taxation of all kinds. It would be folly to add to that burden.

"Stop Me If You Have Heard This One"

Bill was pugnacious, but he didn't live long. A few days after his funeral, his widow was hanging pensively over her front gate. A neighbor came along.

"Well, poor Bill," she began, "he'll be hittin' the harp with the angels."

"Not he," said the widow. "More likely, he'll be hittin' the angels with the harp."

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The Week in Business

The Two Weak Spots

ELSEWHERE in this issue The Financial Post publishes an impressive array of first quarter statistics to support in a tangible manner the contention that business in this country is on the mend. The sharp gain in The Post monthly index of business during March is in itself important news since this marks a definitely forward movement after the momentary stability which followed the sharp upturn of last summer and fall.

It is particularly noteworthy in this formidable array of increases that the only items to make a less favorable showing in 1934 than in the first quarter of 1933 are building permits in leading cities, and wheat exports. Here indeed are at least two weak spots in our economic picture, and until the construction industry on the one hand and our wheat situation on the other show marked improvement, there will not be the unity in our business picture that is so greatly to be desired.

* * *

Food Prices Up 28 Per Cent

THE familiar words of Eddie Cantor's theme song about potatoes being cheaper are out of date these days. The latest report on retail prices in Canada published by the Dominion Bureau of Statistics shows that food prices at retail took a spectacular jump in March, the index for that month being 72.9 as compared with 69.4 the previous month. The low point for retail food prices was in February of last year when the official D. B. S. index touched 60.1. Since then (or in the short space of 13 months) these prices have soared just 28 per cent. No wonder the kitchen purse won't go so far as it used to in the good old year of 1933.

The actual causes of the increase in March were the familiar staples which everybody buys. Here they are: meats, eggs, butter, and, as we have already hinted—potatoes.

* * *

Ottawa's Guess for 1934-35

IT IS many years since a federal budget has appeared which has so little of interest to business by way of tariff changes and so forth. Beyond the one cent reduction in sugar tax; an anticipated increase in jute twine tariffs; a 50 per cent reduction in the excise tax on articles entering Canada under British preference, business men found little to interest them. The gold tax, of course, "stole the show."

An angle which is of interest and which has so far passed unobserved, is the estimate of business for 1934-35 upon which Budgeteer Rhodes has planned his sales tax revenue. Since the amount of the tax is unchanged, it is of interest that Mr. Rhodes plans to get 14 per cent more revenue from the sales tax in the coming fiscal year than he did in 1933-34. In other words, it looks as if official circles at Ottawa were banking on a 14 per cent improvement in business in the next twelve months. That in itself will be good news if it materializes.

Comparative tax items for last year with estimates for the coming twelve months follow:

Federal Taxation Revenues

	1933-34 $	Estimated 1934-35 $
Customs duties	65,926,000	78,000,000
Excise duties	35,871,000	40,000,000
Income tax	61,399,000	61,000,000
Sales tax	63,000,000	72,000,000
M'f'g., stamp, import & other taxes	45,661,000	55,000,000
	271,857,000	306,000,000

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle cwt.	$6.25	$6.50	$5.50
Copper, lb.	.08½	.08½	.06¼
Cotton, lb.	.1175	.1210	.0760
Rubber, lb.	.1250	.1213	.0368
Sugar, raw, lb.	.0275	.0270	.0325
Silk, lb.	1.32½	1.32½	1.50
Wheat (Man.) bu.	.64⅝	.65⅝	.59⅝
Hides, lb.	.11	.11	.07½
Coffee, lb.	.10½	.10⅝	.07½

Weekly Indices

	Latest week	Previous week	Same week last yr.
N. Y. Annalist	108.9	108.7	83.3
Fishers'	73.2	73.4	†63.6
N. Y. Journal of Comm.	75.1	74.0	56.9
Crumps (Brit.)	64.3	64.9	†62.4
U. S. Labor	73.3	....	60.3

†Average, 1933.

Monthly Indices

Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
W'sale (Mar.)	72.0	72.1	64.4
Retail (Mar.)	80.2	79.1	77.8
U. S. Labor (Mar.)	73.7	73.6	60.2
Gt. Brit. (Feb.)	71.1	70.7	66.8

Note: Indices all on base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio, No. 7, spot, New York.

Business Conditions in Canada

REPORT OUTLOOK FOR LIVESTOCK BETTER FOR '34

Improvement in All Lines Expected for This Season

A favorable outlook for the livestock industry in Canada in 1934, is contained in a special report of the committee of the National Advisory Committee on Agricultural Services for Canada, appointed to make an annual study of the agricultural situation.

For beef cattle the report shows that the trend of production in Canada has been up with substantial increase in the past three years in the Prairie Provinces; some increase in British Columbia, little change in Ontario, some decrease in Quebec and some increase in the Maritimes. For 1934 the committee sees a smaller output of grain-finished stock than in 1933. It attributes discouraging markets in the fall of last year and crop failures as a central factor responsible for a reduction in winter finishing.

In commenting on the improvement in prices, particularly for better grades of cattle in 1934, it emphasizes that the course of prices is being set by the British market representing the chief export outlet for Canada and links this up with the definite steps taken recently by the British Minister of Agriculture to reduce available supplies of beef in the United Kingdom by restriction of imports by killed and frozen beef and of live cattle. While indicating more satisfactory prices for Canadian export business, this move is interpreted as showing clearly that the policy of the United Kingdom is to place all imports of beef, irrespective of origin, on a quota basis. The domestic market for beef cattle according to this report promises stronger support to the industry than in 1933.

Wool Market Encouraging

As to sheep production, it is noted that this has fluctuated within narrow limits during the past five years, the decline last year being about seven per cent for the Dominion as a whole. It is noted, however, that lower prices have enabled western farmers to begin sheep raising with a small cash outlay and many are taking advantage of this opportunity in respect of wool. Another encouraging feature is the increasing use of Canadian wool by domestic manufacturers. It is expected that there will be a broad market for all classes of ewe stock in 1934 and the strong demand for wools on British, Australian and New Zealand markets indicates a healthy condition as far as the outlook for 1934 is concerned. World production is estimated to be lower and and the wool market for 1934 very encouraging.

The hog outlook for the producer is also stated to be favorable for 1934. Temporary price declines are anticipated during the present year, but the trend is expected to be upward. "A substantial improvement in the quality of the 1934 Canadian production as a result of improvement in the type of sow and sire used as foundation stock, and of better feeding practice than in a ny previous period in the history of Canada, is forecast.

In respect of horses, definite scarcity of heavy horses for farm stock is noted with the prospect of continuing scarcity within the next two years. This is due, of course, to the decided decline in the breeding of such horses coincident with the rapid increase in gasoline power equipment, prior to 1932.

Eggs and Poultry

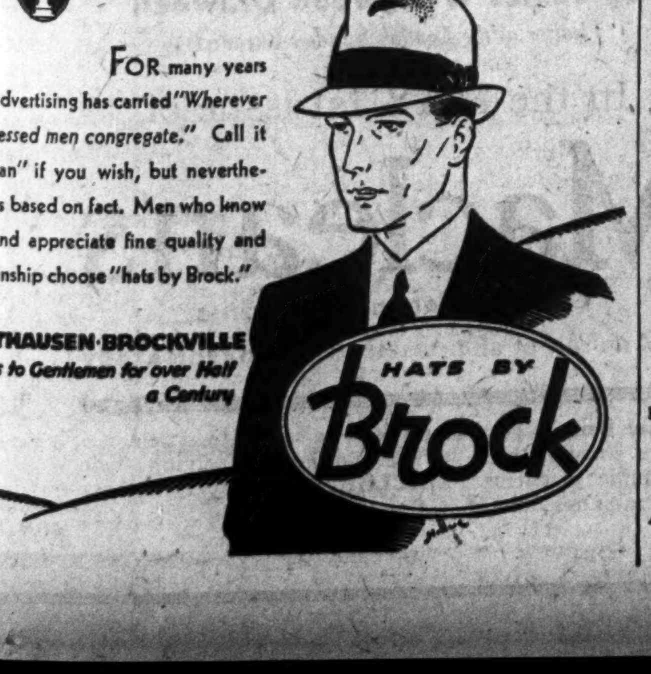
In respect of poultry production, the most important single factor for 1934 is expected to be the price of feed relative to that of poultry and eggs. Any decrease in the cost of feed in relation to the price of poultry and eggs is likely to be followed by increased production. The number of hens and chickens on farms as at the middle of last year is noted to have been 8.2 per cent lower than at the same date a year ago and 4.6 per cent less than the average five-year period 1928-1932.

For eggs the market situation is stated to indicate that the downward trend of prices has been definitely checked with every indication that prices during 1934 will be at least as good as 1933.

Milk Production the Same

In respect of dairy products available information indicates that total milk production in 1934 will remain practically the same as in 1933. Number of milch cows and dairy heifers would indicate a slight increase, but to offset this are the factors of depleted feed supplies and the possibilities of poor pastures in many parts of the country, resulting in a probable decrease in production per cow.

Drought conditions and insect infestations over large areas of the Prairies are also factors adverse to any decided increase in total production. The possibility of restrictions on imports of dairy products into the United Kingdom is taken to indicate that Canadian producers would be well advised to develop home consumption as much as possible and also to improve the average level of Canadian dairy herds.



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Future of Construction Gets Full Dress Review

Bankers Flayed and Planned Economy Given Boosts and Knocks — "Let's Start Tearing Things Down," Says Dr. Innis

A suggestion that Canada's next boom may start by a general wrecking campaign, criticism of the bankers for high interest rates and restricted loans, and proposals for the establishment of a Federal building board were the highlights of a conference held in Toronto, April 19 and 20, to discuss a plan for the stabilization of the Canadian construction industry.

Approximately 300 persons attended the meetings which were sponsored by the Toronto branch of the Canadian Political Science Association, the Ontario Association of Architects, and local branches of eight engineering societies.

Advocates Federal Control

In the opinion of W. D. Black, vice-president and general manager of the Otis-Fensom Elevator Co., and principal speaker at the conference, controlled activity through a government regulatory board is the only hope for the construction industry. He suggests federal control of building at an established level in keeping with the economic requirements and growth of the Dominion. This board would be representative of the Government, financial, building, and labor interests, and would co-ordinate and utilize all essential Government statistics as related to the construction industry.

All proposed building would have to be listed with this authority and permits to proceed with construction would be issued as found necessary to maintain the mean building line as established from the board's statistical surveys. It would also have control over working hours and should give consideration to a plan for contributory unemployment insurance.

"Production and employment in the Canadian construction industry have diminished approximately 90 per cent in the past three years," he said, "and the Dominion Government is the only authority with sufficient power to undertake a plan for stabilizing the industry, as internal control is impossible because of the extent to which the industry is dependent on external conditions."

Dependent on Credit

The speaker claimed that the construction industry is entirely dependent on credit and, as such, has been subject to forced feeding and then starvation. Finance has never attempted to stabilize the industry and has shown a lack of vision and intelligence in blindly following a trend. The industry is powerless to control its own destiny and is responsible to those who supply the funds.

It was shown that capital is supplied to the industry through various banking, loan and investment institutions which have assumed no responsibility for the present plight of the building trades. Mr. Black felt that it would be illogical to propose the creation of a controlling board without making available to this authority the credit which alone can prevent the violent fluctuations characteristic of the industry in recent years. It was suggested that a redirection of credit to the building field could be accomplished through the medium of the Central Bank of Canada.

Government Building

According to Mr. Black the first impetus to the construction industry should come through a sound and limited Government building programme. Any building of this nature should be undertaken, with the benefits of research, as a material part of controlled construction rather than as an expedient means of extending unemployment relief. Various forms of bonuses, tax concessions, and subsidies were also suggested as means by which the present lag in the building industry could be overcome. He stated that some of these methods have been employed in Great Britain and New Zealand and have proved satisfactory.

Having once brought building activity to the "mean economic level" it would be the final and permanent function of the controlling board to keep it there. This would entail, Mr. Black suggested, the use of its prerogative of permission to build which would be a strong factor in boom times and would help to build a reserve.

A reserve for the present depression period of $500,000,000 might have been created, it was stated, had there been a control board to regulate quasi-public construction from 1925-1931. Mr. Black said that the indicated mean economic level of approximately $225,000,000 would provide employment for 200,000 direct workers and 400,000 indirect workers on the basis of 1929 figures.

Violent Fluctuations

Mr. Black considered that it would be the responsibility of the board to control the building industry so that a determined number would find constant employment on construction. He showed that the construction industry deviates three times as far from normal as does general business and that in a 20-year period in Canada there has been a 700 per cent variation, while the industry had dispensed with 90 per cent of its workers since the peak year of 1929. It was the opinion of the speaker that instability in the construction industry in Canada has been so great that mere figures do not adequately describe the actual conditions.

Anticipated Benefits

The adoption of the plan of control he suggested, Mr. Black felt, would result in an immediate source of employment and the elimination of intense periodic future unemployment. Private organizations manufacturing building commodities would be enabled to operate on a more stable and economic basis, and greater concentration could be given to export market possibilities with an assured domestic output. Stimulation would also be given to finance and unrelated industries which would exert a benefit on the whole social fabric of Canada.

Bank Economist Speaks

"The durable goods industry lies at the heart of the depression," said Professor Gilbert Jackson, economist of the Bank of Nova Scotia, "and we must iron out the terrific fluctuations if we are to materially help present conditions." He stated that at the 1929 peak there were 700,000 persons engaged in the durable goods industry and that this number had been reduced to 316,000 in April, 1933, or a fall of 55 per cent. From this date to the present, however, an improvement has taken place of almost 50 per cent in the durable goods industry, with an increase of 35 per cent in consumers goods, and approximately 12 per cent in service industries.

Despite recent reductions, Professor Jackson felt that the long term rate of interest was too high and would have to be brought down if the construction industry, along with others, was to experience any considerable expansion. He explained how the interest rate governed the demand for construction in relation to the actual construction obligations as well as the carrying charges. He suggested that until real stability could be brought about by international accord, of which there was not the slightest prospect at present, there could be little improvement made in the interest rate situation.

Public Works No Panacea

In the opinion of Professor C. R. Young, Faculty of Engineering, Uniiversity of Toronto, public works are under the same handicaps as private construction and present relatively the same problems of stabilization. Governments, like private businesses, expand or restrict their activities according to general business conditions. While believing that a reserve placed in the public accounts would help to smooth out the construction curve the speaker felt that any plan for the control of private industry would prove difficult and ineffective. The development of some new invention, like the radio, he thought, would help stimulate industrial activity.

Next Boom by Wrecking

"The next boom in Canada may start in a general wrecking campaign of tearing up railway tracks," said Prof. H. A. Innis, department of Political Science, University of Toronto, "and at the present time we should be more interested in restricting than increasing business activity. Our past policies are relatively at an end and only in so far as the burden can be lifted from the Western farmer can there be any satisfactory recovery. We must think in terms of the whole national economy and not just from the construction angle as the latter plan necessarily involves increasing the burden on the exporter of raw materials."

He indicated how economic activity in Canada is closely linked with the yield and price of wheat and considered that it would be extremely difficult to operate a successful domestic planned economy with the price of Canada's key export commodities largely determined by international factors. Prof. Innis stated that since 1837 governments have tried to get out of depressions through public construction by guarantees and subsidies but the chief result has only been to proportionately increase the fixed charges which have to be met out of taxation revenue in later years.

Too Much Politics

"Politics have played too big a part in Canada's past national life," said Major L. L. Anthes, president of the Canadian Manufacturers Association, who strongly supported a proposal for a planned economy. The speaker suggested that much of our present distress was the result of our policy of not attacking our problems by intelligent planning. The old laissez-faire policy has to be abandoned, the speaker stated, and in its place there must be serious and constructive thinking done along the lines of a planned national economy.

In the opinion of Holt Gurney, manufacturer, the worst thing wrong with the Canadian construction industry is the provincial legislation which has been passed in respect to mortgage money. As a result of these bills financial institutions are now afraid to invest in mortgage loans, with the result that the building industry is now starved for credit. Mr. Gurney made no criticism of the legislation on the grounds of expediency or humanitarianism but felt that perhaps some of the indirect consequences have proved more serious than at first anticipated.

Mr. Gurney considered that the prime need in Canada is proper housing. He added that approximately 35 to 50 per cent of what are now called houses in this country should be taken down and discarded. Any government building plan, cautioned the speaker, should give full consideration to this important housing problem.

Deputy Labor Minister Speaks

Giving his personal views on the subject under discussion, rather than those of the provincial Government, A. W. Crawford, Deputy Minister of Labor for Ontario, stated it would be impossible under produce any more than a temporary stimulus to recovery in Canada. The speaker suggested that we must accept the combination of modern business and then attempt to regulate it satisfactorily, a rather difficult task of control for many civil servants who are not familiar with the complex situation in many industries.

Proposed Board Unconstitutional

C. A. Ashley, University of Toronto, stated that the proposed control board is beyond the powers of the Federal parliament, and that there is not the slightest prospect of a board of this nature being introduced at present, even if the B. N. A. is amended. He suggested a control board as outlined for the construction industry might ultimately develop into a planned economy for Canada as a whole.

present conditions to predetermine the volume of building at any future date, as there were entirely too many variables concerned. He emphasized that neither the construction industry nor any board established could actually control the building industry. He considered, however, that an immediate improvement could be made in hours of work and wages by enacting licensing and codes. The Government should make every effort, he felt to co-operate with the present construction industry but should not assume the responsibilities of any planned economy.

Control Difficult

"Unless quasi-construction is done in boom times it will not be done at all," said V. W. Bladen, University of Toronto, who added that no stimulus to production can

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly Latest 1934	Weekly Latest 1933	Cumulative Total Jan. 1 to date 1934	Cumulative Total Jan. 1 to date 1933
Transportation—				
Car loadings (April 14)	▲41,578	30,136	612,080	493,305
C.P.R. gross earn. (Apr. 14)	$ ▲2,163,000	$ 1,760,000	$ 31,825,000	$ 27,178,000
C.N.R. gross earn. (Apr. 14)	$ ▲3,074,020	$ 2,502,210	$ 43,729,835	$ 35,613,317
Business Conditions—				
Weekly index D.B.S. (Apr. 14)	▲91.3	73.5	......	......
Failures, No. (Apr. 14)	▲34	25	589	334
	Monthly			
Business Conditions—				
Financial Post Index (Mar.)	▲91.7	69.9	......	......
Transportation—				
C.P.R. net earnings	818,520	96,611	1,707,509	419,983
C.N.R. net revenue	‡724,990	‡1,860,512	‡1,538,956	‡3,767,936
Iron and Steel (March)—				
Pig iron production (tons)	▲12,101	......	54,977	35,353
Steel ingot prod., (tons)	▲72,923	11,212	191,709	64,352
Automobiles (Number) March data—				
Passenger Car: Sales*	▲4,319	2,730	7,252	5,419
Factory output	▲12,272	5,927	24,319	11,873
Trucks and Buses: Sales*	▲560	271	1,080	654
Factory output	▲1,908	705	5,336	1,415
Construction—				
Building permits (Mar.)	1,089,481	934,555	2,663,595	3,016,339
Contracts awarded (Mar.)	7,517,500	3,191,600	19,855,500	9,703,300
Newsprint (tons)—				
Production (Mar.)	▲210,129	137,078	572,950	403,534
Exports (Mar.)	▲239,442	138,005	559,181	373,230
Sugar (lbs.), (Feb.)—				
Imports	19,922,700	11,998,200	30,674,500	20,620,100
Melting & shipments	22,484,009	57,890,777	59,174,832	95,698,813
Manufactured	21,860,155	55,432,178	63,862,260	103,082,420
Flour (bbls.)—				
Production (Feb.)	1,102,043	844,899	2,144,548	1,704,006
Wheat flour exports (Mar.)	▲493,327	490,270	1,270,201	1,220,688
Trade (March)—				
Imports	▲47,521,158	32,935,623	113,504,466	80,890,870
Exports	▲58,346,445	37,161,048	142,840,865	95,120,389
Wheat exports	10,103,240	14,815,705	23,704,237	40,444,843
Employment (Apr. 1) D.B.S. Index—				
All industries	▲91.3	76.0	......	......
Manufacturing	▲88.1	76.0	......	......
Electric Power Output (March)—				
Total monthly (000's omitted)	▲1,795,616	1,371,069	5,136,857	4,067,301
Aver. daily	▲44,227,000	57,923,000	......	......
Other Industrial Indices—				
Lumbering: (March)—				
Plank & board exports	▲131,349	60,460	330,279	137,340
Boot & shoe prod. (Feb.)	1,324,048	1,200,276	2,354,715	2,122,174
Crude petrol. imports (Feb.)	44,369,000	37,555,919	101,971,586	72,640,869
Cotton imports (Feb.)	11,000,000	6,026,000	19,499,000	14,791,000
Raw rubber imports (Feb.)	4,153,000	2,631,000	8,007,298	5,294,427
Coal imports (Feb.)	431,994	455,272	974,545	941,478
Finance—				
Failures: (D.B.S. figures)—				
Number (Jan.)	▲153	216	153	216
Liabilities (Jan.)	$ ▲2,009,188	4,049,929	2,009,188	4,049,929
Bank debits †(Mar.)	$ ▲2,488,914	1,887,000	7,175,276	5,676,153
Bond sales (Mar.)	$ ▲14,061,044	985,728	58,261,698	21,387,338
Life insurance sales (Mar.)	$ ▲32,966,000	32,046,000	90,384,000	91,936,000
Automobile Financing—				
Used cars (February)	$ 508,423	683,935	958,549	1,183,413
New cars (February)	$ 615,516	532,639	979,363	988,914

†—000's omitted. *Eastern Canada sales only. ‡Deficit.

Foreign Trade of Dominion Up 15 per cent

Canada's foreign trade made an excellent showing in March, contributing to an improved picture of expansion in business operations. Exports at $58,300,000 compared with $38,400,000 in February recorded a gain of more than 14 per cent even after seasonal adjustment. Exports are normally much greater in March than in February, but even after allowance is made for the seasonal disparity, the gain was pronounced.

Imports according to the preliminary figures were $47,500,000 compared with $33,600,000 in February. The gain in this instance was slightly more than normal for the season.

Value of foreign trade is usually much greater in March than in February owing to the practice of the department in obtaining full returns for the month, while in other months only the accounts received at headquarters up to and including the last day of the month are included. The gain after seasonal adjustment of more than 14 per cent in the exports and with a like adjustment the maintenance of imports at a slightly higher level are regarded as bright spots in the economic tendencies of the month.

Cumulative totals for the fiscal year 1933-34 show total domestic exports at $579,368,000 to be 22.3 per cent higher than a year ago and imports up 6.7 per cent at $433,776,000. Total trade of Canada was 15 per cent higher by $132,000,000 at just over the billion dollar mark.

What objects have you in mind for your family?

—a continued income for your wife? Freedom from financial stress? The education of your children? Kindly assistance and advice after you are no longer here?

There are two ways of accomplishing these objects. One is for you to outlive the members of your family. The other is to make your Will and appoint this sound Trust Company

as your Trustee

to manage your property, investments, insurance for your family's benefit.

The advantages of stability, experience and constant attention to your estate, which this Company offers when named to act in your place, merit your serious consideration.

Our Services will be simply explained upon your inquiry. It will be helpful to you.

Executor and Trustee since 1897

THE
TRUSTS and GUARANTEE
COMPANY, LIMITED
TORONTO
CALGARY WINNIPEG BRANTFORD WINDSOR

Western Freight Loadings At Highest Point in '34

Car loadings for the week ended April 14 amounted to 41,578 cars, an increase of 867 over the previous week's total, and the index number rose from 71.13 to 72.50. Comparisons with last year's loadings are affected by the holiday (Good Friday) in the fifteenth week last year. The gain, however, was 11,442 cars.

In the eastern division light loading of coal, coke and other forest products reduced the total which was 561 cars under the prevous week's and the index number declined from 71.46 to 69.69.

In the western division grain was 1,796 cars above the previous week's loadings. Also live stock, lumber, pulp and paper and ore showed small increases, but other commodities showed decreases. Total loadings were up 1,428 cars and the index number rose from 70.29 to 78.29. Both the loadings and the index were the highest reached this year.

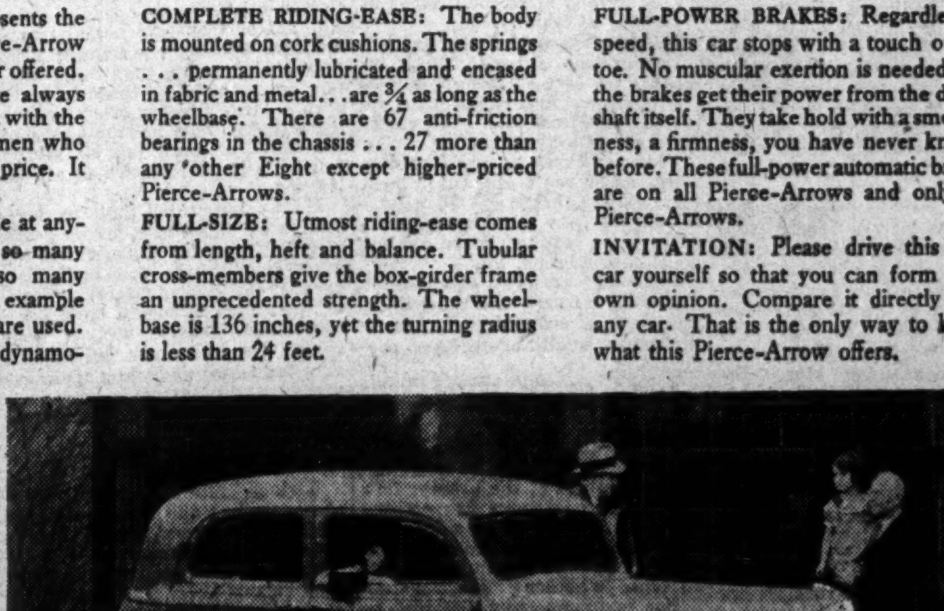
New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Vancouver Malt and Sake Brewing Co. is constructing an addition to its plant involving an expenditure of approximately $20,000 and covering the erection of two buildings, which will be of frame construction.

Electric Auto-Lite Ltd. of Sarnia has acquired manufacturing and sales rights in Canada for Cowell Dubilier Corp. of New York. The latter concern is reported to be one of the oldest and largest makers of mica and paper condensers in the U. S. A. The condensers are used in the manufacture of radios and radio transmission instruments as well as forming a part of telephone equipment.

A Midland, Ont., newspaper (Argus) reports negotiations are under way to locate a shirt manufacturing plant in that town.



Announcing

a real Pierce Arrow
at an unbelievably low price

$3225
PLUS GOVERNMENT TAXES . . . F. O. B. FACTORY

PIERCE-ARROW now presents the newest of all cars . . . a real Pierce-Arrow Eight, the most for the least ever offered. It is built as Pierce-Arrows are always built . . . in the same factory . . . with the same methods . . . by the very men who make cars that sell at twice the price. It is unmistakably a Pierce-Arrow.

MORE HOURS: No automobile at anywhere near the price represents so many hours of hand-craftsmanship, so many tests, so many inspections. For example 9710 separate precision-gauges are used. Each new engine is geared to a dynamometer, and run the equivalent of 400 miles at top speed.

FULL-POWERED: This new Eight is 135-horsepower, designed by the same men who created the 12-cylinder Pierce-Arrow engine . . . undisputed holder of 14 world records, with 3000 consecutive miles at over 117 miles per hour.

CUSTOM BODY: The body made by Pierce-Arrow, is such as only trained custom-builders can construct. Its sound-proof insulation surpasses any competitive car under $4500. Every modern convenience is offered, such as non-glare safety glass, draftless ventilation . . . even center and side arm-rests. The finish is of 58 separate operations . . . 28 more than most other makers use.

COMPLETE RIDING-EASE: The body is mounted on cork cushions. The springs . . . permanently lubricated and encased in fabric and metal . . . are ¾ as long as the wheelbase. There are 67 anti-friction bearings in the chassis . . . 27 more than any other Eight except higher-priced Pierce-Arrows.

FULL-SIZE: Utmost riding-ease comes from length, heft and balance. Tubular cross-members give the box-girder frame an unprecedented strength. The wheelbase is 136 inches, yet the turning radius is less than 24 feet.

FULL-POWER BRAKES: Regardless of speed, this car stops with a touch of the toe. No muscular exertion is needed . . . the brakes get their power from the drive-shaft itself. They take hold with a smoothness, a firmness, you have never known before. These full-power automatic brakes are on all Pierce-Arrows and only on Pierce-Arrows.

INVITATION: Please drive this new car yourself so that you can form your own opinion. Compare it directly with any car. That is the only way to know what this Pierce-Arrow offers.

135 HORSEPOWER . . . . . 136-INCH WHEELBASE . . . . . BROUGHAM, $3225 . . . . . SEDAN, $3375
PLUS GOVERNMENT TAXES [F. O. B. Factory . . . Salon Equipment Extra]

THE PIERCE-ARROW COMPANY OF CANADA, LTD., WALKERVILLE, ONTARIO

Codes for Canada: 4. Role of Big Business

Large-Scale Merchandising Faces Threat of New Legislative and Taxation Restrictions But Independents Still Dominate Trade

The unethical competitor is under fire. But what about the business concern that is no Ishmael, no Insull, no commercial racketeer, whose chief sin is that of being big? Is big business also doomed? Is it to be regulated by the state?

The growing corporation, as President Roosevelt has said, is like the feudal baron of old—feared by the public as a possible menace to the economic freedom of the individual.

Codes, as a means of limiting the power of large scale business, must now be discussed. We cannot range over the whole wide scale of industry and commerce in a single article. So, as a case history in this alleged economic oligarchy, we take the big stores of Canada. Big industrial corporations have been under fire for thirty years. The giant merchandising corporations are now under fire; witness the Stevens enquiry. As a subject of attack, they present at least the aspect of novelty.

What Codes Aim At

Through codes of fair trade practice for business it is sought to establish a higher standard of commercial ethics. Likewise, it is sought to ban, as undesirable, some of the more debatable business practices as to whose propriety there may be an honest difference of opinion but which are deemed by many business men to be not worth what they cost. The purpose is to write the rules of a game that is supposed to have been played in the past without any rules.

The sceptic will recall that Pope wrote:

> "For forms of government let fools contest;
> Whate'er is best administered is best."

Business codes are unlikely to accomplish anything more than the majority of business men and consumers want them to accomplish. And many, if not most, of those objectives can be attained without written codes, signed by business men and sealed by Governments.

Indictment of Bigness

But setting up moral standards in competition and providing for machinery to enforce their observance is not the only objective of the business reformers.

Simply to end abuses, there would be no need of a concerted drive against the larger merchandising units of the country.

An attempt has been made to show that the big stores are immoral and inhuman in their business operations. A generality, the charge is, of course, quite absurd. The men who control the destinies of enormous companies realize that the larger a company becomes the more important does the goodwill item in its balance sheet become and the more necessary to ensure and protect that item. The great merchant princes of the continent have been responsible for many of the advances in honest merchandising that are now accepted by the public as the consumer's right. Certainly "caveat emptor" has been virtually abolished in the big merchandising institutions of today. This statement would be challenged by some Merchants' Associations; but the average housewife is satisfied with the honesty of the average big store.

It was hoped that N.R.A. would help the small man. It was offered as an argument for N.R.A. that "the unfeeling statistics of the past three decades show that the independent business man is running a losing race."

But however much of this objective was present, the codes haven't done much to change the situation.

Codes under the United States National Industrial Recovery Act have not materially enhanced the competitive position of the traditional small man, whether manufacturer or "independent" merchant. Obversely, it is widely charged that the codes have been written by big business. Senator Borah has said that the real tragedy of the N.R.A. is the position of the small business man, fighting for his very existence.

Redistribution of Wealth

Nevertheless, we may define as one purpose of codes for Canada—a purpose that has not been much stressed by advocates of codes and one that has never been clearly understood by many of them—the desire to redistribute economic advantage; to put the small man back in the running.

Some of the smaller merchants are enthusiastic in their support of the Stevens Mass Buying Enquiry at Ottawa because they hope there will follow from the investigation and its report some form of voluntary or legislative control that will check the advance of the big department stores, the mail order houses and the chain stores, and give the smaller units in retailing a better opportunity for competition. Many small merchants are indifferent to the proceedings at Ottawa.

Most of the allegations that the big merchandising units are unethical, dishonest, and predatory are so much powder in the eyes. The big stores may be ruthless but their average honesty is at least as good as that of business as a whole.

What Big Stores Want

There is no doubt that they would be prepared to accept any workable scheme to ban fraudulent and misleading advertising as a competitive weapon.

They would be prepared to accept any workable scheme to provide uniformity and fairness of practice in regard to such features, as quantity discounts, loss leader merchandising, advertising allowances, minimum wages, etc.

They consider that their success is not due to sharp practices or to competitive advantages that are not available to any merchant, but rather to superior intelligence in merchandising, to buying adroitly and selling alertly, to avoiding wastes, to a wider range of merchandise, to keeping the consumer's appetite whetted and stimulating him — or her — to buy. Scores of thousands of small merchants know these tricks of the trade and use them so adeptly that they do not worry about big store competition.

If, then, the big stores ask no favors, are not deliberately predatory and do not seek consciously to play the rôle of the ruthless and brutal villain of merchandising, if when they present their case to the public they adequately rebut any arguments to the contrary, is the ground of indictment not cut away from under the feet of the critics of the big scale merchandising?

Protection for Communities

Not at all; because there still remains the final indictment of the big stores to which reference was made: that, whether they have grown by fair methods or not, whether they present distinct advantages to the consumer or not, they are anti-social in nature, because they are gradually eliminating from the community life of Canada some of the elements that in the past have stood for stability, security and freedom, the most notable of these elements being the small town merchant.

Thus we get beyond the question of codes of fair trade practice and into the question of social planning.

Products of Urbanization

In a larger sense, the huge stores are merely outstanding products of present day social and economic trends: the flight from rural life to city life; the substitution of mass production for handicraft; the alleged concentration of economic power in the control of the few.

The big stores have just grown up. The tendency of recent years the world over has been toward concentration of business in units of steadily increasing size. Handicraft has given way to mass production. The machine age is upon us. The invention of "price movers," multiplying the energy of the individual forty times in a hundred years, has radically altered the character of our economic existence.

Finance has kept pace, inventing new devices to perform the functions of money. Transportation methods and communication systems have not lagged.

In the wake of these developments, economic problems have arisen that have proven well-nigh insoluble.

Economic planning is offered as a corrective.

Today's Vogue for Planning

It is not quite clear whether the vogue for state control of business and economic planning today is a swing to Socialism or an attempt to steal the thunder of the Socialists. Paul Blanshard, a typical American Socialist writer, claims that economic planning has always been the Socialist bandwagon. Now that Capitalist thinkers are climbing on that bandwagon he says the temptation is strong for the Socialists to get off; but they do not intend to get off.

Blanshard sums up current radical thought when he says that the automatic system of planning under Capitalism has broken down. It has become, he argues, a system of appalling waste, of technological unemployment, of anti-social salesmanship, and of the survival of the ruthless.

Witnesses Agree

Before we dismiss his indictment as the exaggerations of a born agitator and preacher of distrust (which is what Blanshard is) let us ponder on the fact that these are the very sins that are being charged against present day business in Canada — and against big business in particular—by Mr. Stevens and the people who are giving evidence before his enquiry.

So whether you call it Capitalist or Socialist planning does not make much difference. Mr. Stevens wants big business brought under control and regimentation by the state; and he is particularly anxious to make a start with large-scale merchandising. And he seeks that end, apparently because he feels that the effects on Canadian social and economic life of the concentration of merchandising power in Canada are distinctly adverse.

So the remedies that are proposed go far beyond mere codification of standards of ethics.

Other Types of Protection

Canada has a tariff which increases the cost of living. But we feel that we are entitled to the broader spiritual life that comes from a balanced economy.

France refuses to buy Canadian wheat at 50 cents and buys wheat from its own farmers at $2 because it believes that a contented peasantry is its best safeguard against political revolution.

Denmark fosters co-operation among its farmers with the deliberate intent of equalizing the opportunity and wealth of different producers.

Britain charges heavy income taxes and pays a dole to redistribute wealth.

The argument for spreading the stream of retail business and damming up a part of the present flow into the larger stores has nothing to do with honesty or ethics but with the conscious shaping of our national life It is a purely social concept. Whether Socialist or Capitalist is unimportant because, as we have seen, the Socialist and the state-planning Capitalist are today on the same bandwagon.

Today there is a world-wide reaction to mere bigness in business. The roots of the reaction are distrust of monopoly; the demand for redistribution of wealth; the feeling of insecurity that comes to the worker from his divorcement from the land or from ownership of his tools of production.

Shifting Trends of Thought

Communism and Socialism substitute the state or community for the owner class figuring that one big owner, the people, is preferable to a few big owners. But even Capitalistic societies are devising new obstacles to the development of big business. Inheritance taxes and surtaxes on incomes are designed to prevent accumulation of family fortunes. Social legislation, wage controls, taxes on chain stores are examples of other barriers to concentration of business ownership and control.

When prices were rising the basic idea was to prevent the consumer from exploitation. Now that prices are falling, the emphasis has shifted. Protective legislation and taxation are not conceived with the public as consumer in mind, but with the public as wage earner or producer in mind.

Straws show the direction of the wind. The cost of living investigation of 1915 attempted to show that the big stores marked up their goods too much. The present investigation at Ottawa complains that they buy and sell goods too cheaply. And it is argued that any benefit the consumer receives is more than offset, so far as the nation is concerned, by the anti-social effects of large business—particularly in draining the life blood out of the small communities.

Germany's Campaign

Large-scale merchandising is under fire everywhere. In Germany, Hitler set out to put the large department stores out of business in order to give the small merchant greater security. No doubt he was fully aware that in sniping at the big stores he was hitting at the Jews, who control the big stores of Berlin, Frankfort-am-Main and other cities. His campaign ran into a snag when it was discovered that the big stores were so in debt to the banks that the real burden of their collapse would not fall on their nominal owners but on their creditors.

For that matter, the whole German system of economic control is in an even worse state of indecision than N.R.A. in the United States. The search for a synthesis between state economic leadership and free initiative of business men has led up some unexpected alleys. Already the economic council form of control has been abandoned in favor of a series of "roof organizations" covering different fields.

One example of how Germany attempted to aid the small business man may be cited. It was declared that quantity discounts were inimical to small business. The manufacturer was told that he must sell one case of merchandise at the same price as ten cases. Two efforts have been noted. Industrial plants have been thrown into confusion by a constant succession of small orders which provide no adequate opportunity for planning production schedules. And large buyers abroad have turned to Czechoslovakia and other countries for supplies.

Points in Indictment

Before we proceed to discuss the position of large-scale merchandising in Canada today, we may properly look at the big units through the eyes of competitive witnesses before the Stevens committee.

The charge that the big stores are anti-social in method is supported by attacks on both their buying and their selling flanks. Since they buy such enormous quantities of goods, and the orders for the various units can be lumped together to increase their buying power, they become mass buyers before they become mass sellers.

An effort is being made to show that the power of the mass buyer is so great that he is virtually able to dictate the prices he will pay, that manufacturers and other producers are forced to submit to this price dictation, that this in turn gives the big stores unfair advantages over the smaller stores; that thus a vicious spiral is set up which must eventually lead to the utter extinction of the small stores and the establishment of the big chains as virtually the only buyers of merchandise in the country. At this point, it is claimed, the manufacturers will have no one to whom to sell except the big stores and they will be subjected to the most degrading and disintegrating dictation.

Domination is Charged

Warren J. Cook, president of the National Fair Trade Council, in appearing before the Stevens Committee, stated that he offered no criticism of the single unit department stores, but that he had particular reference to organizations, who not only operate huge department stores under one management, but also operate a mail order system extending from coast to coast with a large number of order-taking depots. This undoubtedly had the effect of confining his attack to a very limited number of organizations.

Mr. Cook asserted that the domination of these concerns on retail merchandising in Canada was so great that it was practically impossible for any manufacturer making consumer goods to build up a substantial business without their favor. He must have been referring to his own industry; there are many manufacturers doing a profitable trade who will not sell to the big stores.

Decline of Small Stores

Various retail merchant witnesses before the committee presented evidence of the decline in the number and importance of merchants in their communities and they blamed the big stores and the chains for the development. For instance from London it is reported that about thirty-six independent downtown retailers have been displaced by chain store units in five years. Guelph says that thirteen independent stores have been displaced and that there are no independent grocers left on the main street today. Barrie says that eighteen independent stores have been displaced.

It was asserted by these witnesses that the development was very unfavorable to social and community life in general. A picture was painted of the local merchant, the founder of a family, a supporter of the church, a doer of good deeds and one of the props of his community. When such a merchant was replaced with a cog in the distributing machine "whose one absorbing passion must be to grind out dividends for absentee owners" the community, it was argued, lost by the change.

The sundry charges of unfair competitive practices charged against the big stores need not be further elaborated here as they have been adequately dealt with in previous articles.

In Canada there has been concentration of merchandising power but not as much as some people imagine.

Independents Still Strong

Take Ontario, where the big stores and the chains have reached their peak of development. Less than 18 per cent of the retail business of the province is done in the large chains of stores. The single store independents do 66 per cent. Even in the grocery field the independents including those in the voluntary chains, do 59 per cent of the trade. The proportion of small store trade is higher in other provinces.

In Toronto, where there are two big department stores, the total retail sales are $370,000,000. Of this total, $113,000,000 is done by thirty-eight department and general stores and "five and tens". The balance is well distributed. In groceries, although Toronto seems to be dominated by chains, the independents do $16,200,000 a year of business as against $23,300,000 done by the sectional and national chains.

The figures indicate that no matter how large any of Canada's big store companies have become, they have not ousted the independent merchant. It is the most utter balderdash to charge, as some witnesses before the Stevens Committee have charged, that a gigantic effort has been made—and has succeeded—to crush the individual retailer. He is still very much alive.

How Big Stores Grew

Nevertheless, the big department stores have grown bigger; the chains have sprung into being and have grown large in such diverse fields as groceries, drugs, boots and shoes, clothing, etc. The mail order houses have dwindled comparatively but still do a large business.

The big department store was once a small store. At first it was a local institution. It drew its trade from its immediate community. It was usually a highly personalized institution, the product of the genius of a single merchandising prince, such as A. T. Stewart, Marshall Field, Timothy Eaton, Robert Simpson, Gordon Selfridge or John Wanamaker. It flourished as its direction was alert, aggressive, efficient. These big merchant princes firmly established such practices as money-back guarantees of satisfaction, one price to all classes of customers, free deliveries, etc. They sent their buyers into all markets to buy the newest, freshest and cheapest merchandise. They found ways to bring the people to their stores and if they did not invent, they at least exploited to the limit, the devices of bargain sales, advertising and display, etc.

Protecting Mail Trade

Mail order houses, in Canada at least, blossomed out of the department stores. Taking orders by mail was one logical development and actively canvassing for business by mail was another. All the merchandising arts learned in the big city stores were modified just enough to make the mail order business successful.

The mail order business lobbied for parcel post. Rural free delivery also aided their growth.

The small town merchants always complained about the competition of the mail order houses. Constantly they petitioned Governments to tax mail order business, to raise parcel post rates, to put prohibitive postage rates on catalogues. There was never any very serious legislative or taxation obstacle placed in the way of the catalogue houses. But eventually the resistless tide of change beat upon their shores.

With paved roads and motor cars, people on farms and in small villages found it easier and more convenient to drive to the nearest town or small city to shop. The movies and the illustrated magazines keyed up consumer tastes. Styles became a serious problem in the twice-a-year catalogue, even when supplemented by interim smaller catalogues.

The small merchants changed their buying habits, bought more frequently and in smaller quantities. and kept fresher stocks. Mail order business began very definitely to dwindle.

Branch Stores Opened

To the big houses the situation presented a very real problem. They decided that if the people would not come to them, they would go to the people. They began to open branch stores.

The largest of the merchandising organizations in Canada a few years ago consisted of one big store and a nation-wide catalogue business. Today it has well over 100 outlets dealing directly with the public. It has department stores in leading cities, chain grocery stores and mail order branch offices. The change has come about almost entirely in the brief post-war period. The company itself has had to alter the character of its merchandising methods to stay in competition.

The small independent merchant no sooner began to feel some relief from the pressure of mail order competition than he found the big store doing business direct with the people via a branch established in his city or in a nearby city, easily reached by motor cars.

Buy Old Stores

But two or three points are worthy of consideration. In practically every case where one of the big department stores has gone into a new community, it has done so by purchasing some existing business, often one that has began to go to seed through the death of the original merchant-founder. It may be brisker competition that is brought to the community, but seldom is it new competition.

And in many cases, the arrival of the big store has been the signal for rejoicing on the part of the shrewder of the local merchants. To have, let us say, Eaton's in a city is to establish that city's rank as a retail centre and to increase its shopping radius by twenty-miles or so in every direction. Sometimes the benefit is a little different. Why did Morgan's and Birks' hail the Eaton purchase of Goodwin's in Montreal? Because it fixed for a generation at least the shopping centre of Montreal, until that event a fairly uncertain quantity.

Is Social Concept

The growth of the big department store chains is then a natural growth. But the charges made before the Stevens enquiry do not consider that point as the important one. The allegation is that, natural or not, it is "economically unsound and socially undesirable."

This is a charge that has nothing to do with loss leader merchandising, payment of inadequate wages, dishonest advertising or any of the unethical or debatable practices that have previously been under consideration in these articles. The charge that large-scale merchandising, even if conducted on the most honest, most efficient, most enlightened possible basis, is to be frowned upon because it is against the best interests of society, is a concept of the matter that must be viewed quite distinctly and separately.

It raises for the big stores the spectre of discriminatory taxation. The power to tax is the power to destroy.

Taxation of large-scale merchandising may be entirely out of the hands of the Dominion Government. But it is a power that provincial Governments enjoy and that they can share with the municipalities. Already there have been some menacing moves in the direction of special taxation on multiple unit stores.

Responsibility for Control

It all comes down to this question: are Canadian governments prepared to accept the responsibility for controlling the growth of large-scale merchandising in Canada in order to place the smaller independent merchants on a stronger competitive footing and in order to give new life to our smaller communities?

They assume a great responsibility if they do. Large-scale merchandising is a logical product of large-scale industrial organization. And big business has proven itself to possess a large measure of efficiency. It is only a few years since W. L. M. King's book "Industry and Humanity" hailed modern industrial organization as the means by which mankind was to be lifted from serfdom to Democracy.

Big business has usually taken the lead in introducing production and distribution methods of greater efficiency but it has seldom held any single advantage of this character for long. Those who devise new formulae for producing or selling more economically will get the jump on their competitors. Fifteen years ago in Canada it cost about 11 per cent for wholesale grocery firms to operate; and about 18 per cent for retail grocery firms to distribute goods to the ultimate consumer. The chain stores found a way to sell goods at a margin ranging from about 12 per cent in the self-serve stores to 17 per cent in the service chains. The consumer got a very real benefit from the genius inherent in the ideas of men like Milton Cork, the late T. P. Loblaw and others.

Meeting Competition

But the independent grocery stores of Canada found a way to meet these margins. In co-operation with the old line wholesalers or new buying units that they themselves established, they found in time that they too could do business at these margins. While the food chains were expanding most rapidly, when they had a big margin of advantage over the smaller stores in costs of doing business and in marketing efficiency, they made enormous profits and were the cause of many independent merchants going out of business. Today the more efficient of the small merchants can compete on an even basis so long as they are protected against special and secret price differentials to the chains and against unethical advertising. The chain food stores and the big stores, by tackling the problem of lowering merchandising costs in a vigorous and efficient manner, have made a notable contribution to business.

Making Beaten Paths

For many years business genius concentrated upon the problem of reducing costs of production. Too little attention was paid to distribution. But it was necessary eventually that vast changes in distributing methods should be made, that new lessons should be learned by the trial and error method. It was to be expected that those whose habits and methods were challenged should protest.

If the world is to make a beaten path to the door of the man who can devise a better mouse trap the world should be privileged to favor the man who finds a better or cheaper method of selling and distributing mouse traps.

Modern day merchandising methods are not to be condemned solely on the ground that they are different or because they challenge the lethargy of those who do not want to have to learn new tricks. There is nothing so resistless as change.

Premium on Inefficiency

One of the problems that N.R.A. has already run into is that some of the codes put a premium on inefficiency. In fixing costs and price spreads there is a tendency to base them upon the needs of the least efficient business enterprises.

One of the grave dangers of protecting the small merchant by legislation and taxation is the danger that is inherent in all forms of protection; namely the possibility that in guarding him from the impact of other people's genius we may rob the public of benefits to which it is entitled. The consumer in Canada is quick to detect tariffs that permit him to be exploited by inefficient producers. The consumer would be as quick to detect forms of control that would permit him to be exploited by inefficiency in merchandising.

Protecting the efficient small merchant because he is socially desirable may be another matter. That he does require special protection is as yet a theory; it remains to be proven.

C. W. LINDSAY CO. HOLDS POSITION OVER PAST YEAR

Loss on Operations Reduced to Smaller Proportions in 1933

From Our Own Correspondent

MONTREAL. — Earning power of C. W. Lindsay & Co., Quebec distributors of musical instruments and electrical apparatus, did not undergo any appreciable improvement in the fiscal year ended February 28, 1934; the liquid position was well maintained.

In his report to the shareholders, J. A. Hebert, president and general manager, says that according to information at his disposal, regarding the particular trade carried on by the company, the showing made last year was a very creditable one. The loss on operations in 1933-34 was $135,387, against which there was an income from investments of $50,279, leaving a net loss for the period of $85,108. After providing for bond interest, depreciation and other ranking charges, the income account showed a debit of $151,842 or about $61,000 less than in the previous twelve months.

Particulars of the profit and loss income account follow:

	1933-34	1932-33	1931-32
	$	$	$
Oper. loss ..	135,387	†161,392	64,381
Other inc. ..	50,279	65,115	139,443
Net inc.	*85,108	*96,277	75,061
Bond int. ..	49,686	58,719	64,445
Deprec., etc.	†17,048	17,622	18,145
Tax adjust...	......	......	6,226
Balance	*151,842	*172,618	*13,755
Pfd. divds .	......	39,951	46,016
Balance	*151,842	*272,569	*59,770
Com. divds...	......	......	33,008
Surplus	*151,842	*212,569	*92,778
Prev. surp..	‡242,787	‡412,897	441,049
P. & L. bal..	90,945	200,328	348,271

*Deficit. †Including provision for floating insurance $500.00. ‡As adjusted, net.

Working Capital Position

	1934	1933	1932
	$	$	$
Curr. assets	1,288,709	1,600,123	2,029,107
Curr. liabs..	49,011	72,070	91,197
Work. cap.	1,239,698	1,528,053	1,937,910

Capital Liabilities Lower

At the end of February last, C. W. Lindsay and Co.'s balance sheet showed assets totalling $2,358,973, compared with $2,671,722 in the previous year. A feature of the balance sheet is a substantial reduction in outstanding bonded debt and preferred stock. At present the company has outstanding in the hands of the public $760,000 of first mortgage bonds. This compares with $900,000 at the end of February, 1933. Last year 532 shares of preferred stock were purchased and cancelled, leaving the net amount outstanding at $536,300 compared with $589,500 in 1933.

No particular change took place among the current liabilities, while the issued common stock remains unchanged.

Investments Are Greater

Among the assets, property account is much the same as reported a year ago. The principal changes took place among the company's current assets. Cash on hand declined by over 50 per cent to $31,658. Call loans were reduced during the year from $150,000 to $100,000. Investments on the other hand increased from $154,360 to $287,636. It is noted that the investment in Dominion of Canada bonds has advanced from $153,573 to $207,339, while other investments increased from $788 to $80,296.

Accounts receivable are sharply lower at $734,834, as against $1,074,424 in 1933. Inventories show a moderate reduction at $128,951.

Tobacco Producers Hold Sales Promotion Premium

From Our Own Correspondent

MONTREAL.—Action of the tobacco companies in Great Britain in abolishing premiums on sales, is not likely to be followed by the Canadian manufacturers, at least in the near future. While the action of the British companies has been noted with interest by the producers on this side, the larger Canadian companies have intimated that they have given no consideration to the question of abolishing premiums.

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Her recovery was deliberately planned.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Hope Seen for Bondholders Of Great Lakes Paper Co.

Reorganization Scheme May Come Through Arrangements Act or By Sale Proceedings; Assets Substantial and Profits Earned

Reorganization proceedings for Great Lakes Paper Co. may be initiated shortly, The Financial Post is informed. Compared with numerous other receiverships, bondholders appear to be in a favorable position in any negotiations that may be undertaken. The company has been in receivership since July 13, 1931, and has been operated for the bondholders since that time.

Just what steps may be initiated to reorganize the company will depend largely on what view the Supreme Court of Canada takes in regard to the Companies Creditors Arrangements Act, The Financial Post is informed. The trust deed contains no provision to enable a majority of bondholders to put a reorganization scheme into effect. Therefore, it is understood, the facilities offered by the Arrangements Act may be used to effect a settlement and recapitalization, unless the statute is declared invalid by the Supreme Court.

Sale Proceedings Option

If the statute is outlawed in the courts, sale proceedings will probably be taken under the mortgage, so that reorganization may be effected, it is understood. This would involve putting the property up for mortgage sale, and probable purchase by the bondholders' committee. Bonds not deposited with the committeee might have to be paid in cash. The depositing bondholders might be paid in new securities, and in this manner the reorganization would be effected. Some outside organization might conceivably purchase the property at such a sale, and in this event bondholders would be paid off in accordance with the amount realized.

What are the bondholders' chances?

There is $10,000,000 of the six per cent, first mortgage bonds, due 1950, outstanding. The security for these includes $1,074,000 of liquid working capital; mill properties of $8,000,000 estimated to have cost about $9,500,000; and timber concessions carried in 1929 at $29,000,000. The big question is what are these assets really worth? Aside from working capital, the present market price of about 40 for the first mortgage bonds places a valuation on the mills, equipment and timber limits of only $3,000,000. The market price of the bonds values all assets at about 10 per cent of their book value.

Operation by Receiver

Under the operation of the receiver, some $187,000 had been spent on capital account, from revenue, to keep mill equipment in good order. Current repairs have been made out of revenue, and are reported to have kept the equipment in first class condition. The timber limits consist of 8,040 square miles under license and 849 square miles in fee simple, a total of 8,889 square miles. No timber has been cut from any of the stands, it is understood. In view of the condition of these resources, a value of ten cents on the dollar would seem conservative.

One advantage to the bondholders is that they have a going concern. The profit and loss account, since the National Trust Co. was appointed receiver and manager in 1931, is as follows:

Profit and Loss Account

	July 1 1933 to Nov. 30 1933 5 mos. $	July 13 1931 to June 30 1933 23½ mos. $
Sales profit	124,593	310,264
Misc. profit	5,996	5,960
	130,589	316,224
Add: Int., etc.	8,242	21,372
Exch. prem.	24,596	356,043
Total income	158,427	696,639
Less: Gen. exp.	39,696	204,045
Taxes on limits	19,784	85,563
Res. for conting.	25,000	93,614
*Gross profit	73,947	310,417

*Before provision for interest and depreciation.

Low Cost Producer

In the most difficult period for the newsprint industry for nearly 20 years, the company has been able to make a profit. The reason for this is believed to be the exceptionally low costs on which the company can turn out its product. Because of the profits obtained since 1931, the company's working capital increased from $736,240 at March 31, 1931, to $1,074,478 at Nov. 30, 1933. In addition, reserves of some $182,000 had been set up for claims and contingencies.

The company is still believed to be making a profit despite the disappearance of the premium on U. S. funds, which bulks so large in the foregoing profit and loss statements. The receiver has pointed out that economies in operation should offset to a considerable extent the loss of premiums on exchange. Moreover, in trade circles, it is hoped that later this year better prices for newsprint may be obtained. Although still unsatisfactory, the price situation is not considered as chaotic now as it was a year or two ago. Furthermore, production and exports of newsprint are increasing. And Great Lakes Paper Co. is understood to have reaped some advantage from marketing of its own production instead of through Minnesota and Ontario Paper Co., its former parent organization.

Bondholders' Situation

As for the probable reorganization, bondholders are considered to be in the saddle. The situation is comparatively simple. The bondholders have a clear first mortgage on the best properties; the common and preferred shares are all held by the Backus-Brooks Co., which has lost control; and the security of other creditors is believed to be covered by the reserves for claims and contingencies. Unlike some other newsprint receiverships, there are few conflicting interests. So the bonds are expected to get the lion's share in any reorganization.

The form the reorganization is likely to take has been the subject of considerable discussion. One plan that is believed to have been suggested to the bondholders' committee is exchange of $1,000 of the present bonds for $500 of new fixed interest liens and $500 of new income bonds, plus common stock. The Backus-Brooks interests and unsecured creditors are reported to have been discussed as recipients of common stock only earnings do not appear to be sufficient to allow a high rate of interest on any new securities issued, and it is possible that interest on new bonds might not be payable for a year or two. With settlement of the newsprint muddle, however, it is also possible that interest on both classes of bonds might be paid within two years.

Enquiries

Brazilian

I have read many articles in your paper with regard to Brazilian Traction and have been very much interested as I am a holder of common stock of that company. You nearly always refer to the company as a complete entity, though you describe it as a holding company. Could you tell me something about the subsidiaries through which it earns the money out of which dividends can only be paid eventually? Are its holdings mainly common stock in subsidiaries which themselves have senior stocks and bonds ahead of them, or does it draw revenues direct and from other sources as well? If you would tell me the names and something about each of the subsidiaries, it would help me and no doubt others, to visualize better just what companies have to do the earning and what services they are rendering in Brazil.

Through subsidiaries, Brazilian Traction, Light and Power Company is in the street railway, lighting, power, gas, telephone and other public services.

The Rio de Janeiro Tramway Light and Power Company, controlled by Brazilian and incorporated under Dominion Laws in 1904, contributes $161,988,490 to the total assets of $393,547,855 of Brazilian Traction including $34,252,873 for intangibles. It has a funded debt of $45,085,975. It has loans and accrued interest owing Brazilian Traction of $22,203,285. This compares with $3,470,431 in 1926 and by the help of these loans the company increased its tangible fixed assets from $60,733,572 to $77,148,425 at the end of 1932. Securities of and advances to subsidiaries in the period from 1926 to 1932 dropped from $34,000,000 to $23,000,000 and rights, franchise and goodwill dropped $2,500,000. Cash improved by $5,000,000 and accounts receivable were up $4,000,000 including short term notes and securities in Brazil. Sinking fund investment for the first mortgage bonds increased by $6,500,000. General reserve dropped from $12,000,000 to $3,000,000.

Brazilian Telephone Company shows a loan of $23,325,363 from the Rio de Janeiro Tramway Light and Power Company at the end of 1932 as compared with $15,000,000 at the end of 1926. Its total assets are shown at $41,309,295 including $5,632,988 for rights and goodwill. During the period from 1926 to 1932 the plant, equipment and properties rose in valuation from $20,730,922 to $31,286,447. Since 1929 the loan from the Rio de Janeiro Tramway Light and Power Company has been from Brazilian Traction Light and Power direct.

The Sao Paulo Tramway, Light and Power Company assets are shown at upward of $93,000,000, including $5,744,949 for intangibles. There is a loan from Brazilian Traction of $59,496,840 as compared with $3,877,199 in 1926. During that period the valuation of property, plant and equipment rose from $43,536,258 to $71,917,888, securities of and advances to subsidiary rose from nothing to six and a half million dollars, accounts receivable advanced $3,000,000 and cash nearly $4,000,000. Also $6,000,000 of five per cent first mortgage debentures were paid off though other perpetual debentures of $4,000,000 still obtain. Provision for depreciation and renewals advanced in this period from $8,600,000 to $15,700,000. Reserve funds in the same period dropped from $8,000,000 to $3,000,000.

Brazilian Hydro Electric Company at the end of 1932 had received advances from the holding company in loans and interest amounting to $8,232,569. Rio de Janeiro Tramway, Light and Power Company undertakes to provide Brazilian Hydro Electric with the amount necessary to meet the interest on its floating debt.

Sao Paulo Electric Company had assets of nearly $21,000,000 at the end of 1932 made up in part of intangibles of $6,500,000. Since 1925 there has been little advance in valuation of fixed assets. Loan from Brazilian was $2,764,322 at the end of 1932 or about $500,000 less than in 1926. Funded debt was the same at $9,700,000.

The San Paulo Gas Company turns over its entire revenue to Brazilian Traction and the latter company provides sufficient funds to meet interest on debentures, dividends on preference shares, office and general expenses, the funds necessary for maintenance, additions and improvements. It has a loan from Brazilian Traction of £328,901 in addition to amounts owed the holding company of £685,272 for capital expenditures.

The City of Santos Improvements Company with head office in London, England, and doing a general public utilities business in Santos, passes all its revenues and income after payment of working expenses in Brazil to Brazilian Traction, the latter company meeting interest, sinking funds, dividends and office and general expenses. Brazilian loan to this company amounts to £157,808 and a further liability of £72,813 for capital expenditures.

Winnipeg Electric

It would be appreciated if you would let us have a statement on the prospects for Winnipeg Electric bonds. We are wondering as to whether or not the company is going to be able to surmount its difficulties and if the bonds should be held with the hope that the position of the company will improve.

The position surrounding Winnipeg Electric Railway is involved, making it difficult to give you a clear-cut opinion on the outlook. As you know, the company guaranteed bonds of its subsidiaries and when called upon to make good these guarantees, was unable to do so. In addition the earning power of the company has steadily declined, while the relations with the city have been most unsatisfactory. Bondholders' protective committees for Winnipeg Electric, Manitoba Power and Northwestern Power are now investigating affairs of the company with a view to bringing about a reorganization which, at the time of writing, involves a merging of all properties into one company. Until this committee, or these committees, make a report it is unwise to hazard a guess as to what is likely to be done with the company

Windsor Hotel

It would be appreciated if you would let me have your opinion on the Windsor Hotel Co. I own some of the first and general mortgage bonds in this enterprise. What I would like to know particularly is the number of times the interest was earned, and the equity of the bonds.

Over the last two years, conditions in the Montreal hotel business have not been conducive to the development of earnings. The sharp falling off in tourist business has had an appreciable effect upon the volume of business handled by the hotels. At the same time there have been fewer conventions, while the general run of transient business has been on a smaller basis. This has been reflected in the earning power of Windsor Hotel, the report showing a drop in net earnings from $606,190 in 1930, to $83,257 in 1933.

Over the last six years Windsor Hotel has been able to earn its bond interest, after depreciation reserve, about 1.50 times. Last year the statement showed that interest was earned only 0.44 times before depreciation. In 1932 interest was earned 1.04 times before depreciation and 0.53 times after depreciation.

As regards the equity back of the funded debt, the report shows a book equity of $2,976 back of each $1,000 first mortgage bond at the end of 1933 and $3,935 back of each $1,000 refunding mortgage bond.

Consolidated Bakeries

I would appreciate it very much if you would be good enough to favor me through your columns with your opinion as to the financial condition and prospects of Consolidated Bakeries.

Consolidated Bakeries improved its balance sheet position by recapitalization in 1933 and by writing down assets reduced the amount necessary to write off each year depreciation. Therefore, with earnings little different from what they had been before, it was in a position to pay a dividend.

The company should be able to take advantage of improved conditions as they occur in the industry as a whole. The industry for some years back has been having a difficult time because of unemployment, which meant loss of individual sales which were replaced by relief bread sold without profit, and by reason of price wars both between bakeries and between bakeries and chain stores which offered bread at prices below cost as a trade inducement. Principal chain stores have withdrawn from this practice in the last year, but there are a flock of small companies and independent bakers apparently willing to sell at a low price in order to get volume. This must be cured before the real chances for improvement occur, baking company executives believe.

Canadian Pacific

The Canadian Pacific Railway balance sheet has just been published. During the last year or so this company has received loans from the banks with government backing to meet its short-term debts. If the prevailing conditions keep up, is it likely to have to obtain money by a similar method in the near future?

The future financial situation of the Canadian Pacific Railway is difficult to forecast. As a matter of fact, however, the company has made arrangements to take care of all its obligations for some time to come through a loan from the Canadian chartered banks. Aside from a small amount of bonds maturing next year, the company will have no funded obligations to meet until 1938. By that time it is to be hoped that the finances of the company will be in considerably stronger position and the management will be able to effect further financing on a reasonable basis.

Penmans

Would you be good enough to let me have your views on Penman's common stock? I would like some particulars as regards the financial position of the company.

For a time the textile companies had difficulty in paying their way, but over the last year conditions have been on a more favorable basis. In 1933 Penman's was able to show earnings of $3.30 a share on its common stock—the largest since 1929—and compared with dividend requirements of $3 a share. The balance sheet shows the company to be in a satisfactory financial position with a net working capital of $2,392,875. Current liabilities amounted to only $177,689, as against current assets of $2,570,564. The book equity of the common stock at the end of 1933 was $66.73, compared with $66.43 in the previous year.

Walkerville Brewery

I am a carpenter 63 years old with a steady job and expect to retire in two years' time. I own my own home and have a few thousand dollars in the bank.

My son has bought lately a number of shares of the Walkerville Brewery Co. at $7.60 and he wants me to invest some money in this company as he claims that if the Ontario Government allows taverns to come in force the stock will increase greatly in value. He has a friend working in the bank who says that the company is in a good financial condition.

Will you please advise me if this is correct and if so would it be well for me to invest a portion of my money in this company?

Speculative interest in this stock has been keen in expectation of freer sale conditions in Ontario. The Ontario Legislature has now passed the bill extending the right of sale of beer and wine to hotels and restaurants and clubs in Ontario.

The statement issued by the Walkerville Brewery shows it to be in a good financial condition as your son's friend stated but it has not been earning dividends in the last year or so though it used to pay good dividends in the past. The difficulty of assessing the results of operations under the new law is that Ontario's total brewing capacity is only 20 per cent employed at present. It is expected by brewers that by a series of mergers and the closing down of plants here and there, operations may be concentrated in the larger and more modern breweries and therefore made much more economical. They also expect that beer sale will result in a lessening of the amount of home brew which has grown very greatly in recent years in Ontario.

It is evident therefore that the market valuation of Walkerville Brewery is discounting earnings which are expected, but which have not yet been made. As the Government will not put its policy into effect until after the election, there will be some delay in ascertaining how much of the expected advantage may be obtained. The election was expected soon but the South Oxford result may delay it.

Bathurst

I would like information on Bathurst Power and Paper. Especially information on the capitalization of the company, working capital and earning power, together with the location of its plant.

Bathurst Power and Paper Co.'s capitalization consists of 400,000 shares of no par value Class A common stock and 300,000 shares of no par value Class B common stock. The Class A shares were offered in February, 1928, at $40 a share with a bonus of one share Class B stock for each four shares of Class A.

The working capital of Bathurst has held at a comparatively high level for some years past. The statements for 1928 to 1933 showed that the company maintains an average working capital of around $2,200,000.

The company has not developed a substantial earning power. When it came into being, the company had only one machine of 70 tons of newsprint capacity daily. An additional machine was installed. Later one of the machines was converted over to the manufacture of kraft liner board. In 1928 the company had net earnings of $411,782; 1929, $281,550; 1930, $132,954; 1931, a loss of $86,461; 1932, a loss of $158,225. The largest amount of earnings on the Class A shares was 34 cents in 1928.

Bathurst Power and Paper's plant is located at Bathurst, N.B. In addition, the company owns a hydro-electric plant at Great Falls on the Nepisiquit River, also in New Brunswick.

Bank of Montreal

We have an enquiry from Australia, in regard to the advisability of buying Bank of Montreal stock at the present time, and we should appreciate your advice on this point.

The following is a quotation from their letter:

"As no doubt the recent legislation, introduced by the Canadian Government creating a Central Bank, will have the immediate effect of depreciating the value of the stocks of the present note-issuing banks, the time would appear opportune to purchase stock of the bank referred to."

The effect that the operation of the Bank of Canada will have on the earnings of the commercial banks of Canada cannot be accurately appraised at this time. The bill of incorporation of Canada's new central bank has yet to be discussed by the Banking & Commerce Committee and may be subject to some change. It would appear that the formation of a central bank in Canada was fairly well discounted during the fall of 1933 and prices of bank stocks are now well above the level prevailing in that period.

It is fairly definite that the central bank will take over the banking business of the federal government and possibly the provincial governments. Since the Bank of Montreal does most of the banking business for the Dominion it will suffer to a greater degree than will the other chartered banks. The effect of loss of note issue by the commercial banks on their earnings can not be calculated precisely at the present time but since the note issue will be withdrawn gradually over a period of ten years at least, there will be no immediate major shrinkage in earnings from this source. If business continues to improve over the next few years and the banks are able to make loans for business purposes, it is reasonable to expect that earnings of the commercial banks will increase and that this increase, rising as a result of general improvement in business will much more than offset the loss of earning power caused by formation and operation of the Bank of Canada.

The effect of the central bank on the commercial banks seems to have been discounted by the market and subsequently there has been appreciation in the prices of bank shares which may be in anticipation of improved profits over the next few years. The future trend of bank stock prices will depend in great degree upon the sustained recovery of general business.

Steel of Canada

Recently I purchased Steel Co. of Canada bond, on the understanding that interest would be payable in Canadian or U. S. funds, or in sterling. I am advised by my banker that the interest on my Steel Co. of Canada bonds is not payable in sterling. Can you find out for me why payment was refused in sterling?

An examination of the trust deed securing Steel of Canada's first mortgage bonds shows that the issue is really divided into three parts. Parr's Bank of London offered a sterling issue to the extent of £1,184,880, payable in the three markets. The Dominion Securities Corp. offered in Canada an issue known as a currency issue, amounting to $3,083,400, payable in Montreal and New York only. The other issue was known as an "interim" issue, totalling $1,150,000, also payable in Montreal and New York.

We presume, with this knowledge, that you bought one of the currency bonds. If you own a sterling issue, on the other hand, then you can demand payment in sterling.

United Fuel Investments

How is United Fuel Investments doing? Is business getting better?

For the first seven months of 1933-34 United Fuel Investments net earnings and working capital showed considerable improvement, according to a statement issued at the end of November last. There was an improvement in working capital and bank loans were considerably lower. The long and severe winter must have continued this improvement in business and greater industrial activity has also helped considerably. In the two preceding winters, mild winters had hampered the company but principals think they should do better as business generally gets more active.

B. A. Oil

Something I do not understand is why British American Oil common is so seldom suggested as an investment. It gives a yield of over 5 per cent, dividends are well earned; there have been less heavy write-off, good expansion, bonds are being reduced and bank loans should be cleaned up in a couple of years. I already have a large block and am thinking of buying 500 more shares. Is there anything I have overlooked?

British American Oil has paid dividends progressively throughout its career and the company has expanded soundly and conservatively. Last year the company reduced its bank loan considerably and earned dividends of $1.01 per share and paid dividends of 85c. a share. In such a year as 1933 this was regarded as quite a feat.

In 1934 in the Toronto area, prices have been reduced about 5c per gallon because of keenly competitive conditions but it is possible there may be a rise shortly.

The company has excellent direction and has pursued an expansion policy in recent years which has as its main object the establishment of the company in all parts of the oil business from the producing of crude oil in Texas and Oklahoma, to the refining of the crude at strategic points in Canada and the sale of the resultant products through its own outlets. Each year has apparently found the company more firmly entrenched in its chief markets.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Counterfeiters Cornered

WORKING with typical speed and lack of fuss, United States secret service operatives quietly removed ten people from active participation in the life of Brooklyn, Manhattan and Binghamton recently, but not before these ten had allegedly bilked Endicott Johnson Corp., mammoth United States shoe manufacturers, of $50,000 by circulating through its Binghamton plant thousands of forged piecework claim tickets. When arrested, the United States Government claims, the decemvirate had progressed far with a plan to shower the country with $2,000,000 in spurious $5 bills.

But this was not all. In their spare time, it is charged, the ring had issued a number of fake baseball lottery tickets, forged by the same delicate instruments which had perpetrated the other fakes.

Many acres of land near Riverhead, L.I., were spaded in an attempt to recover $45,000 in spurious bills, which, with engraving plates, were thought to have been buried there.

The personnel of the alleged ring was almost as amazing as its activities. One, it is charged, is a church organist at Scranton, Pa. Behind his organ in the church, secret service operatives claim to have uncovered $1,250 of the bogus bills. None of the congregation who listened to him playing the organ every Sunday had suspected him of issuing fake notes. Another member was the editor of a Polish newspaper. Another was the son of a Long Island tea shop proprietor, who had startled his friends no end when, in 1925, he announced that the end of the world was just around the corner. That was a counterfeit end as well.

Simultaneously, with the arrests in New York, three more suspected counterfeiters were arrested by operatives in Cleveland, and charged with passing $100,000 in forged bills in the mid-west.

Golf Parasite

AS INEVITABLE as plus-eights, rainy Sundays, overly-bright caddies, noisy foursomes and other drawbacks to Better Golf this year will be the neat appearing fellow who annually makes a modest income by preying on the camaraderie for which golfers are famed.

Every year this racket is worked, and at this time, when the very mention of the game brings a fatuous grin to the face of 60 per cent of Canada's business men, it might be well to warn them of the activities of this sharpster, to whom that fatuous grin means meat and drink. It may save them the price of a good golf ball.

He is a man who makes it his business to know, and keep posted on, the activities of a certain golf club. When tournament lists are posted, he makes a note of the names and addresses of the players, who their partners are, and their handicaps.

With this information he visits each golfer's home. Sometimes he pretends to be a caddie, formerly employed by him, and respectfully enquires after his victim's partner, his handicap and his slice. Then he says he has been given a job out at the club by the pro. (mentioning him by name) but lacks the necessary funds to get out there. He suggests that perhaps the golfer would advance this, collecting it from the pro. the next time he is out at the course.

Another trick is to say he has been out of a job, that he is too old to caddie and is desperately in need of money.

More remunerative, less safe, is to say he is helping out Mr. Blank, club secretary, in collecting money for a presentation to Tom Jones, about to be married, or for a trophy.

Once he has established the tie that binds, the common link, and led the golf addict into thinking he is somebody connected with the club, the collecting of the money is usually just a matter of time.

OUR BOOKLET
"THE 1934 BUDGET
and
THE INCOME TAX"
Contains complete information covering the preparation of Income Tax returns to be filed by April 30, 1934.
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"HOPE BUDGET" SEES RECOVERY AS THE ANSWER

Rhodes Expects Better Business to Provide More Revenue

GOLD VS. SUGAR

Total Deficit $135,200,000; Next Year's Deficit May Reach $75,000,000; Easing Debts

A budget of hope.

This is the verdict of observers after consideration of the budget speech of Hon. E. N. Rhodes, Dominion Minister of Finance. The speech implied hope that business will continue to improve; that revenues will increase materially without additional taxation; that despite a slight increase in ordinary expenditures the ordinary budget will balance; that the C.N.R. deficit will be cut $10,000,000. And an implication of hope was also seen in the fact that no estimate was made of the amount to be spent on special account for unemployment relief.

Outside of substitution of a tax on gold for part of the sugar tax, there are no striking changes in taxation to increase revenue.

The government is hoping to balance its ordinary budget by gains in revenue due to improved business. In a lengthy argument, Mr. Rhodes came to the conclusion in his speech that controllable expenditures have already been cut to the bone. Thus, on neither the taxation nor the expenditure side of the budget are vital revenue changes expected.

A feature of the budget was a clear statement of the actual deficit for the 1933-34 fiscal year. Ordinary account deficit was $24,100,000 compared with $43,200,000 a year ago. The total deficit on government operations amounted to $76,300,000, and, including the C.N.R. deficit the increase in net debt for the year is put at $135,200,000.

Took in C.N.R. Deficit

The government took into the public accounts as an expenditure the deficit of $58,950,000 on the Canadian National Railways System. The actual loss of the system amounted to $97,650,000 but of this, $36,000,000 was interest on advances from the government and $2,600,000 for certain other non cash items.

Considerable credit is given to the government for including the C.N.R. deficit in the accounts in this manner, and also for stating its deficit clearly. It has been urged for some time by students of Dominion finances that the C.N.R. deficit is part of the government's deficit, and that there is nothing to be gained by not stating what the real deficit is.

For the 1934-35 year, Mr. Rhodes anticipates that total revenue will be $360,000,000 compared with $324,000,000 in the 1933-34 year. Ordinary expenditures are estimated at $351,200,000 for 1934-35, compared with $347,700,000 in 1933-34. Consequently, a surplus of $8,800,000 on ordinary account is anticipated, to apply to capital, extraordinary and C.N.R. expenditures. The C.N.R. deficit for 1935 is estimated at $48,800,000. Mr. Rhodes, in his speech made no attempt to estimate what capital and special expenditures will amount to next year and therefore, no official estimate of next year's deficit was made.

Deficit in 1934-35

Estimated deficit of the C.N.R., less the estimated surplus on ordinary account, will leave the Dominion $4,000,000 behind in revenues next year. To ascertain the total deficit special expenditures, etc., will have to be aided. Comparative budget experience follows:

Revenue and Expenditure

	*1933-34	1932-33	1931-32
	$	$	$
Revenue:	000's	000's	000's
Ordinary	323,621	306,637	326,811
Special	392	4,493	7,028
Total	324,013	311,130	333,839
Expenditures:			
Ordinary	347,702	349,811	365,873
Special	42,904	43,365	55,476
Capital	6,570	8,548	16,980
Inactive adv. ...	3,096	67,900	3,112
C. N. R.	58,956	62,140	56,965
Total	459,228	531,764	498,406
Deficit	135,215	220,634	164,567

*Estimated.

Gold Tax Controversy

Mr. Rhodes' proposal of a ten per cent tax on gold shipped by mines to the mint evoked two diametrically opposed opinions. One opinion was that it is a fair tax on an industry that has benefitted greatly from a fortuitous price bonus and that has no marketing problem. This view is widely held by those not closely connected with the gold mining industry. The opposite view is that the tax will be a heavy burden on low-grade gold producers and constitutes unjust discrimination against the industry. This was the opinion of those closely connected with gold mining.

The tax was imposed to make up the anticipated loss of $10,000,000 revenue from reduction of the sugar tax from two cents to one cent a pound. There was some feeling that the sugar tax might have been left at two cents and the gold tax be used to provide additional revenue to help provide for the special and other expenditures.

The total 1934-35 deficit is expected to reach $75,000,000. With an anticipated surplus of only $8,800,000 on ordinary account, there may be up to $100,000,000 of other deficits to eat this up; for the C.N.R. is expected to require $48,800,000 for deficits; an increase in capital expenditures has been indicated; there will be special expenditures and possibly inactive loans, and so on.

Debt and Interest Rates

Net debt of the Dominion at March 31, 1934, is estimated at $2,731,696,000, compared with $2,596,480,826, an increase of $32,215,000. This was in addition to guaranteed debt of $993,276,547, which compares with $996,148,345 at March 31, 1933, a decrease of $2,871,807.

Mr. Rhodes outlined government policies designed to ease the burden of this public debt as well as private debts. First, the government, he said, has consistently pursued a policy designed to stimulate a rise of prices by sound means.

As evidence of results, Mr. Rhodes cited a rise in Canadian wholesale prices of 13.4 per cent between February, 1933, and February, 1934.

The second debt easing policy of the government, said Mr. Rhodes, has been to take steps to lower interest rates. He cited the reduction of one-half per cent on savings deposits rates, and indicated a hope that a further reduction will be made, because this is at present the basic rate in our interest structure. Other steps mentioned were: Flotation of a four per cent loan in London; continuance of the domestic loan conversion programme; and sale of short-term treasury bills by public tender. Coupled with voluntary investments in Canada from abroad, these policies are conceded in financial circles to have contributed to lowering interest rates on gilt-edged securities in Canada.

Easing Debt Burden

Another step to ease debt burdens will be early introduction of legislation to allow farmers to make compromises with their creditors, inexpensively and conveniently, Mr. Rhodes asserted. A similar remedy involving a comprehensive reduction of interest rates on government debts, he said, cannot be applied. The reasons given for this statement were that much of our debt is held by foreigners, and that it would be impracticable to distinguish between Canadian and foreign holders of the many bonds issued payable in two or more currencies at the option of the holder.

Reduction of interest rates on government debts would also involve a lowering of rates paid to small creditors by banks, insurance companies and other such institutions, it was remarked. It was also pointed out that there is the moral obligation to pay in accordance with covenants, and the self-interest motive. Because we need foreign capital for development purposes, said Mr. Rhodes, Canada will never take any deliberate action that would seriously impede the flow of funds to this country.

Some disappointment was felt at the failure to deal more specifically with the question of relief and special expenditures. In the absence of any indication of policy, it appears that the government is hoping that the need for these large outlays will gradually disappear of their own accord. Realist students of the subject have indicated to The Financial Post that they believe the relief problem will not solve itself; that it will be difficult to get rid of much of the expenditure. For this reason, it has been hoped that policy on the problem would be clarified, or modified. Since 1930, the budget shows, the Dominion alone has spent over $130,000,000 on various forms of relief.

Deficits and Deficits

Since the government has changed the manner in which its deficit is stated, it is worth while to examine the various methods by which the deficit may be calculated. There is, first, the ordinary account deficit. Adding special and other expenditures, this becomes the revenue deficit. Then, by calculating the increase in net debt, we get the total deficit of the kind that was suggested by Mr. Rhodes in his budget speech. Lastly, addition of the change in the net C.N.R. public debt gives a total deficit that may be nearest to the truth.

For purposes of comparison, The Financial Post has tabulated below the deficits and surpluses by all four methods of calculation for the last 11 years. The figures follow:

Fiscal Year	Surplus or Deficit on Ordinary Account $	Surplus or Deficit on Revenue Account $	Surplus or Deficit by Change in Net Debt $	Surplus or Deficit by Net Debt Plus Change in C.N.R. Public Debt $
1923-1924	72,000,000	46,870,000	35,994,000	17,426,000
1924-1925	27,940,000	16,900,000	346,000	90,468,000
1925-1926	60,100,000	37,600,000	27,706,000	10,296,000
1926-1927	79,148,000	69,300,000	41,900,000	47,389,000
1927-1928	86,550,000	81,000,000	50,984,000	4,917,000
1928-1929	104,511,000	104,000,000	71,345,000	74,848,000
1929-1930	83,632,000	58,300,000	47,741,000	96,939,000
1930-1931	39,971,000	88,000,000	83,848,000	129,854,000
1931-1932	45,694,000	154,200,000	114,234,000	222,126,000
1932-1933	43,200,000	151,600,000	223,000,000	211,000,000
1933-1934	24,100,000	128,640,000	135,200,000	126,000,000

BEER TAXATION NOW SIMPLIFIED BY NEW RULING

Impost May Be Smaller But Will Not Affect Consumer

From Our Own Correspondent

MONTREAL — Consolidation of present duties on malt and beer into one excise tax on malt has been drawn up with a view to leaving the total levy on the trade unchanged, while simplifying collection of the tax and accountancy in connection with it.

This is the view of C. D. McFarland, of the Canada Malting Co., who says that the way in which the former duty had been consolidated would make "very little difference." The price of beer will not be affected.

The proposal is to consolidate the existing three cents a pound duty on malt and the 12½ cents gallonage tax on beer, into a single excise duty of 7½ cents per pound on the malt. According to Mr. McFarland, while the figure varies slightly according to the make of beer, it takes about 2.4 pounds of malt to make one gallon of beer; and he, therefore, estimated that if the tax consolidation did result in any change in the present levy, it would mean a slight reduction.

Mr. McFarland does not anticipate that there will be any objection raised to the proposal. The duty, he said, is payable by the brewer, or by the malter for the brewer. Besides making collection easier, the change means that in future the tax will be slightly in advance of the previous times.

Income Tax Change Calls for Action

Canadian corporations whose business is carried on and whose assets are situated outside Canada are subject to an important change in the Income War Tax Act brought into effect by the budget of Hon. E. N. Rhodes. The change (sec. 4, pgh. k) compels such companies to file an income tax return within four months of the end of their fiscal year and to pay a filing fee of $100.

Importance of the change is that the penalty for non-compliance is that the income becomes taxable instead of being exempt. Since the new procedure applies to the 1933 taxation period, and all fiscal years ended in that period, it behooves any corporation to which the change is applicable to make prompt returns.

Other changes in the income tax consisted of clarification and revision of minor sections of the Act.

BITUMINOUS COAL 50 P.C. DRAWBACK HELPS, HINDERS

Saves Duty to Gas Cos., Increases it to Other Coke Makers

The 50 per cent drawback on imports of bituminous coal, made payable by the Dominion Government under the new budget to manufacturers of coke when the coal is converted into coke in their own plants, should be a real help to Consumers' Gas Co., but it represents a loss to Hamilton By-Product Coke Ovens and to Montreal Coke and Manufacturing Co. The latter companies had been, under the old tariff, in receipt of a drawback of 99 per cent on bituminous coal imported but until now it was specially provided that no drawbacks should be paid on coal converted into coke at a gas retort plant or at a plant using any other process than the by-product coke process.

It has been contended by gas and other companies manufacturing coke that they should have the same drawback as the people making coke in by-product coke ovens and that claim has now been admitted, but the drawback has been dropped from 99 to 50 per cent, so that it applies evenly over the whole industry. Gas companies in London, Toronto, Kingston, Ottawa and Kitchener especially will benefit. Consumers' Gas Co. alone will save $100,000 in duty cost of material but that is more than made up for by the increased price of bituminous coal on account of the operation of N.R.A. raising wages at the mines and shortening hours

Coal Price Higher

The fifty per cent rise in the price of coal as a result of these factors and the drop in drawback for by-product coke ovens might together be expected ordinarily to turn manufacturers of coke toward supplies from Nova Scotia or, in some places, from Alberta. It is understood that the matter has been canvassed but that it is agreed that the price of coal from Alberta and Nova Scotia, when laid down in Toronto, would still be too high.

In the case of Nova Scotia coal, much capital expenditure would have to be made to provide facilities to receive, store and handle the coal. For instance, it is understood that Consumers' Gas Co. takes in 16 cars of coal daily and uses the coal as it comes. It has a month's reserve stored in case of trouble of any kind but to use Nova Scotia coal would need the establishment of yards, summer transport by lake, river and gulf boats and storage and handling for the rest of the year. Toronto is not equipped in that way on a large scale though it is understood that Hamilton has facilities at the Hamilton By-Product Coke Ovens plant. The latter's plant is on the waterfront and has already taken Nova Scotia coal there.

Montreal Coke's Position

From Our Own Correspondent

MONTREAL. — Officials of Montreal Coke and Mfg. Co., in which a half interest is held by Montreal Light, Heat & Power Cons., have not quite made up their minds as to whether or not the changes in the Rhodes' budget will have a serious bearing on their operations.

The new budget reduces the drawback on bituminous coal imports so that firms using all American bituminous coal in their coking operations will stand to lose about 37 cents a ton. In the past, only firms manufacturing by-products of coke received the drawback and now it applies to all manufactured.

In the opinion of J. D. Price, manager of Montreal Coke, the only benefit of the new regulation is to the small producers who did not come under the by-products clause, while those producing coke as a by-product will lose heavily.

Last year Montreal Coke imported about 100,000 tons of bituminous coal, and this year commitments have already been made for further imports of bituminous coal which, according to Mr. Price, now run into a loss. According to Mr. Price, an appeal will likely be filed with the Government against the reduction. Officials of the Lasalle Coke Co., sales subsidiaries of Montreal Coke, stated that decrease in the retail price was a possibility, but that they could not say definitely at this time.

CRUDE OIL CHANGES ARE UNIMPORTANT

McColl-Frontenac Head Sees Only Confirmation Existing Situation

From Our Own Correspondent

MONTREAL.—Changes in duty on imports of crude oil, as provided in the Rhodes budget for 1934, are "perfectly satisfactory," according to a statement issued by John Irwin, president of the McColl-Frontenac Oil Co.

There was, in fact, practically no change whatever in existing conditions involved in the announcement, according to Mr. Irwin. He claimed that the Government was merely ratifying the conditions under which oil has been imported by Canada from Trinidad ever since the Imperial Conference at Ottawa, the summer before last. At that time, he added, the Canadian Government was anxious to find some trade factor with Great Britain which would allow an exchange of trade, and the only place from which oil could be obtained was Trinidad. Oil imports from that colony have been going on ever since and Mr. Irwin says that, "as far as we know, it will not be affected by the new ruling."

TEXTILE TRADE VIEWS DIFFER ON EXCISE CUT

Dominion Textile Official Gloomy; Others Say Benefit

From Our Own Correspondent

MONTREAL — Differences of opinion exist in the textile trade on the effect of cutting the three per cent special excise tax in half on imports entitled to the benefits of the British preferential tariff.

As far as can be gathered both the Canadian textile manufacturer and the importer holds his opinion that the reduction will not effect the price to the consumer. Taken in the aggregate, the reduction in the excise tax will mean a large saving to the importer; on the other hand, the marginal protection afforded to the domestic textile manufacturer is lessened.

Sees Position Weakened

Speaking on behalf of the Dominion Textile Co., Blair Gordon holds the opinion that Canadian manufacturers will either have to reduce their prices or increase considerably their imports from Britain. He issued the following statement:

"I am surprised that this important clause seems to have been slipped into the Budget very quietly, without any fuss being made about it. But its effect is this: if the total of excise tax and regular duty on goods being shipped here from Britain was previously 20 per cent, it is reduced by half the excise tax—that is to 18½ per cent. Naturally that is harmful to our industry, because British goods have been coming in so freely in the past year that our imports in 1933 went up 75 per cent over the previous year's total. And that trend is being kept up, for the first two months of this year have again shown a steady increase.

"Taking this 1½ per cent off the present duty is really a serious thing as far as we are concerned. Yet Hon. Mr. Rhodes did not mention it among the high points of his Budget.

"Cotton goods, of course, represent a very big portion of the total imports from Britain. With prices so low and imports so great already, we are only holding on to what we have by the skin of our teeth. By quoting at slightly lower prices Britain can land all the goods she wants here. That means that we must cut our prices still further, or carry on business at an even greater loss than we are at present putting up with—or else lose it altogether."

Looks for Benefit

Another large Montreal manufacturer of "outer-wear" looks favorably upon the government's action in reducing the special excise tax on imports. The saving, brought about by the reduction in tax, will be absorbed by the manufacturing company, he believes, because while collectively it amounted to a considerable sum it would be too small to pass on to the individual customer. Moreover, he says, the imports of raw material have gone up 100 per cent in the past six months, so that if manufacturing companies could get "a little compensation" it would help a great deal.

The only danger, from a manufacturing point of view, was that the trade might start a demand for a reduction in retail prices, but he did not think that would happen because the one and a half per cent reduction would be negligible to a customer, although a great deal on the total volume of imports.

SUGAR REFINERS WELCOME CHANGE IN EXCISE TAX CUT

Will Benefit Confectionery, Baking and Beverage Industries

From Our Own Correspondent

MONTREAL — Sugar refiners welcomed the change in the reduction of the excise tax on sugar from two cents to one cent a pound, as provided in the budget brought down by the Hon. Edgar N. Rhodes. When this tax was applied last year sales of the refiners were sharply curtailed, particularly in the canning, bakery and confectionery businesses which ordinarily are large consumers of sugar.

Some criticism is directed at the change because it does not come into effect until July 1. By that time a number of the large sugar consuming industries will have to stock up with the higher priced sugar in order to take care of their current needs. Fall canning operations, however, will benefit materially by this change, while the confectionery and baking businesses will carry on without any change in operations until after mid-year. It is reported, however, that some of the bakery companies producing cakes have already started a drive to secure additional business by anticipating the reduction in the cost of sugar, by announcing lower prices for their cake products.

Wanted Larger Cut

The aerated beverage field it is expected will benefit materially by the change in the sugar tax. A. McA. Murphy, president, Charles Gurd and Co., has the following to say:

"As far as the mild benefits which can accrue to the beverage business from the sugar reduction are concerned, these will not take effect until after July 1, for the change is not effective until that date and it will have been necessary to stock up customers, in anticipation of the season's requirements, in June, as is customary.

"Upon the basis, however, that half a loaf is better than none, I presume that the trade will be thankful, and theoretically, the beverage New Year will start only July 1."

In his report to the shareholders at the annual meeting held last March, Mr. Murphy was very pronounced in his views on the sugar tax and said that at that time the impost was equivalent to practically a full year's dividend on the preferred stock. A reduction in the sugar tax by 50 per cent, therefore, would indicate that Gurd's would benefit to the extent of half of the company's preferred dividend requirements, while a relative improvement would be experienced by the other companies in the same line of business.

Large Turner Valley Deliveries

The largest oil deliveries in almost three years were made to the Imperial and Bell refineries from Turner Valley companies in March, according to official figures. The Imperial refinery reported deliveries of 86,301 barrels, and the Bell refinery reported 8,422 barrels, bringing the March total up to 94,723 barrels. This compares with 90,267 barrels delivered in January of this year, which set a high mark extending back to June, 1931, when more than 100,000 barrels were delivered.

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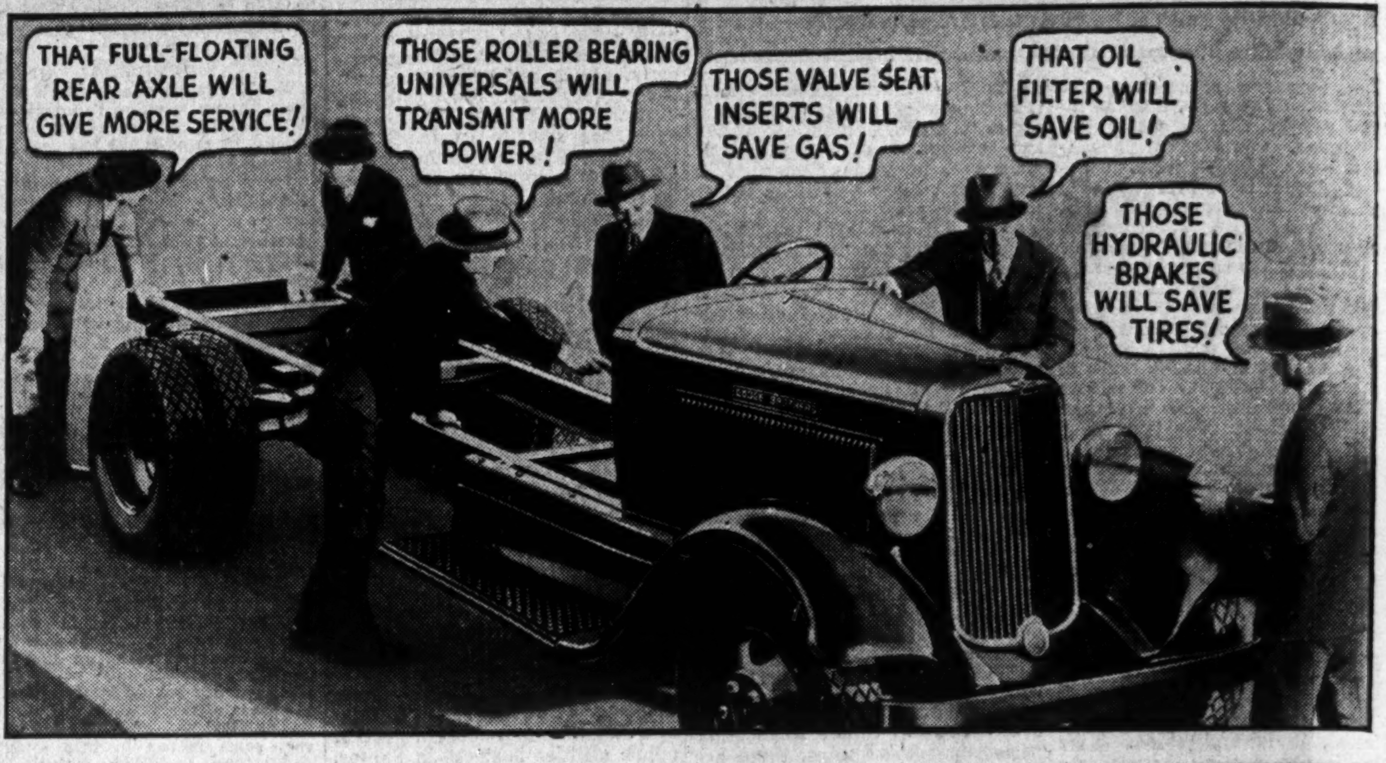
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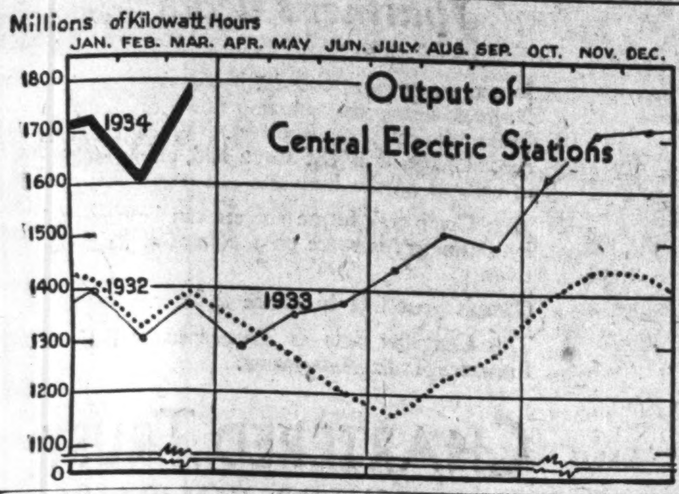
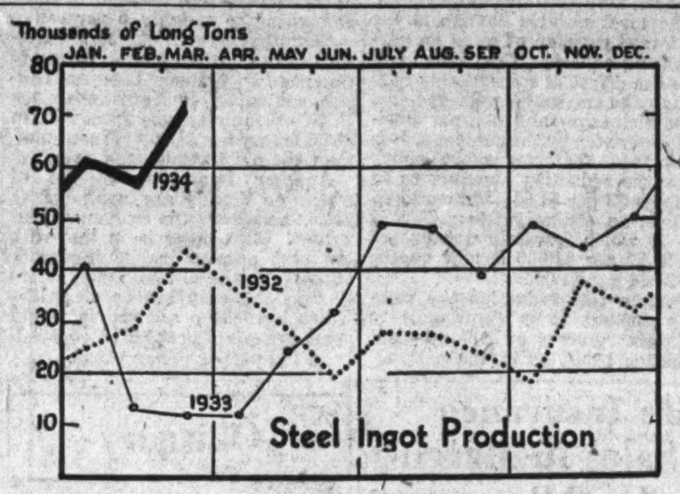
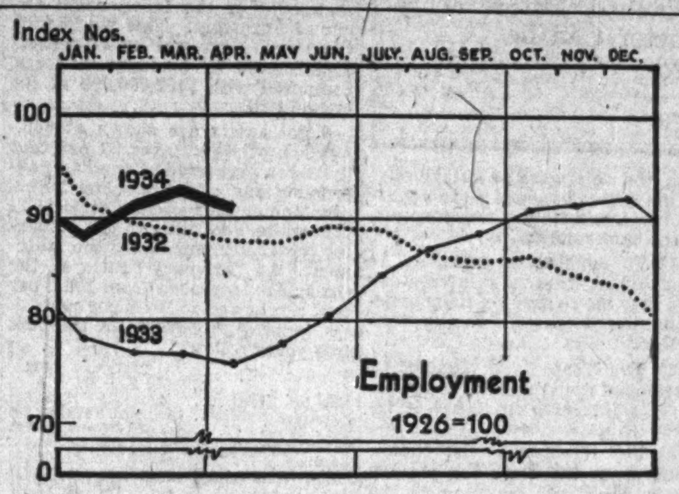
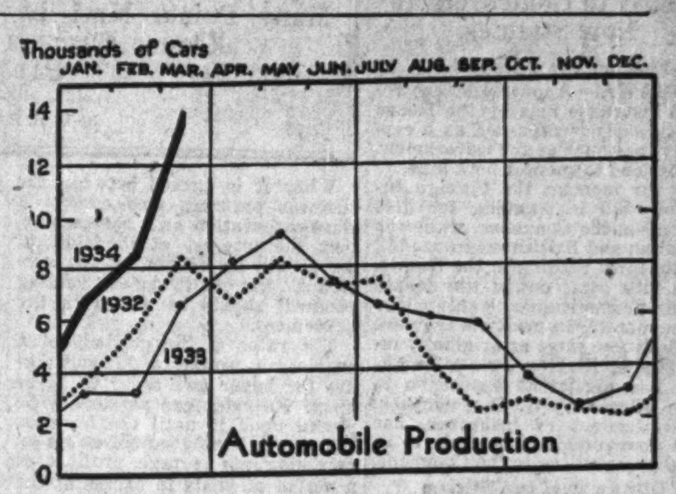
Canadian Business Statistics Make Impressive Gains in 1934









Wheels of Trade Turning As Recovery Gets Under Way

Review of Business Gains in Canada at Present Time Shows Wide Field Affected

Since business skies brightened last April, over 700,000 citizens have gone back to jobs in Canada. In the first two months of 1934, alone, jobs were found for over 105,000 men and women.

These figures crystallize just how far business recovery is making headway in this country. They tell the story more eloquently than columns of statistics. They mean full dinner pails for thousands of families who were formerly on relief; the turn in the road as far as the depression of the nineteen thirties is concerned.

But the story of what each individual industry has been doing in the last few months is none the less impressive. Here for instance are some of the highlights of last month's figures:

Newsprint production greater than in any month since October, 1930.

Steel production at new high since May, 1931.

Automobile production at highest point for similar month since 1930.

Receipts of gold at the mint at highest point ever reached.

Copper exports were at a point surpassed in only three other months in the post-war period.

Electric power production at a record high.

Improvement Well Distributed

With two major exceptions the improvement is well distributed in every field of activity. The exceptions are wheat movement (exports) and new building permits. However in the latter field—even though the building permit totals for the first quarter of 1934 are below the corresponding figure of a year ago, it is interesting that March permits were higher than those of March last year—the first month in several years (with the exception of December 1933) that such a comparison has been favorable.

Then too in respect of construction the data of MacLean Building reports shows new contracts awarded in the first quarter to be over 100 per cent above the same period last year and early reports for April are very encouraging. Small contracts are holding up and the total will be considerably swelled by inclusion of the $1,500,000 Ontario Hydro building at Toronto and another $1,500,000 job in Quebec.

A rapid glance at some of the major business gains of the first quarter is illuminating.

Transportation up 25 Per Cent

Transportation for instance finds carloadings running far above the 1933 figures and neck and neck with 1932. For the year to-date the volume of traffic moved is about 24 per cent above a year ago. One interesting feature is that last week's loadings in the western division were the highest reached this year—even after seasonal adjustment. This is good news and is due to gains in livestock, lumber, pulp and paper ore and wheat loadings. Gross earnings of the C.P.R. are higher by 17 per cent and of the C.N.R. by 23 per cent than in 1933.

Mining Aids Iron and Steel

Mining is another industry which is playing a major part in recovery. Movement of gold and copper particularly has been at record figures which in turn reacts favorably on the iron and steel mills; gives employment to thousands of workers directly and keeps railway officials and airway systems on the run.

The basic iron and steel industry has found new business from automobile companies, from the mines and from export sources in recent months. Prior to that the figures were somewhat distorted by federal subsidies in respect of rails, the money being advanced by Ottawa to enable the mills to keep running. A year ago there were no blast furnaces running in Canada while steel production was 70 per cent less than the figures for the first quarter this year.

Automobile plants have been carried along by excellent export business and latterly a deluge of domestic orders. As reported last week in The Post the major producers in Canada reported unfilled domestic orders at the beginning of April to be greater than the entire March production—which in itself was considerably more than twice the corresponding figure a year ago. Trucks too are in demand which is in itself a good sign. Sales for the first quarter were 66 per cent above 1933 and factory output in the same period was up by 280 per cent.

Lumbering as represented by woods operations and also by newsprint, is still enjoying favorable business. In one month (March) newsprint production topped any previous period since October, 1930, being over 50 per cent higher than at the same time a year ago. Exports for the first quarter are half again as high as they were this time last year. The lumbering industry generally has enjoyed the best winter in the woods since 1929 and the results will undoubtedly be reflected in substantially increased operations in the mills during 1934. Stocks of many kinds of wood are at the lowest point in many years.

Another reliable indicator which has made consistent gains and which achieved a new high point in March is the output of central electric stations. Aided by increased exports and a substantial demand from secondary sources such as boilers, output in the first quarter topped that of a year ago by 26 per cent.

Retail Sales Better

Just how this increased activity in primary industries is being expressed in retail sales is difficult to estimate accurately. Latest official data shows retail sales in February to be about seven per cent above similar figures a year ago. After allowance for price increases in the meantime however, this gain is probably cut to three per cent. All sales groups show improvement except boots and shoes, drugs and restaurants. Latest available data show that as at April 1, the index of employment in the retail and wholesale trade groups was almost eight per cent above the same figure a year ago; three per cent above the same figure at the beginning of the year.

Financial Factors Better

Financial indices are favorable. The number of business failures for instance has dropped 45 per cent as compared with the first quarter of 1932-1933. Bank debits (aided by increased speculation in mining and industrial shares) are higher by 26 per cent while sales of new bonds are up over 170 per cent in the first three months of the year.

Life insurance sales showed relative improvement in February and March as compared with a year ago but the total for the quarter is a little below 1933. It is expected that this activity should be slower in reflecting gains—for one thing it was late to feel the effects of depression and it has never felt the decline as much as many other lines of activity.

Price Spread Narrows

In respect of prices the most notable improvement has been the comparative gains made by prices of farm products as compared with manufactured goods. As compared with a year ago, prices of farm products have improved 26 per cent, while the cost of fully manufactured goods has moved up but 10 per cent. Thus the gap in farm purchasing power which at one time was almost 30 points, as measured by the Dominion Bureau of Statistics indices, has now narrowed to 19 points. For a short time in mid-1933, the soaring price of wheat cut the spread to about 10 points. Lately the price of manufactured goods has tended to rise without a corresponding price in farm prices.

One marked tendency of recent months has been the increase in retail prices which when May moving day comes will probably soar higher since the rental index is only adjusted semi-annually. Recently food prices have been boosting the cost of living, the gain in this one item since the low point of 1933 having been no less than 28 per cent.

Business Index Explained

The marked rise in The Financial Post preliminary business index requires explanation. Developments in March furnish a clue to the industries which are already participating in the recovery to a large extent.

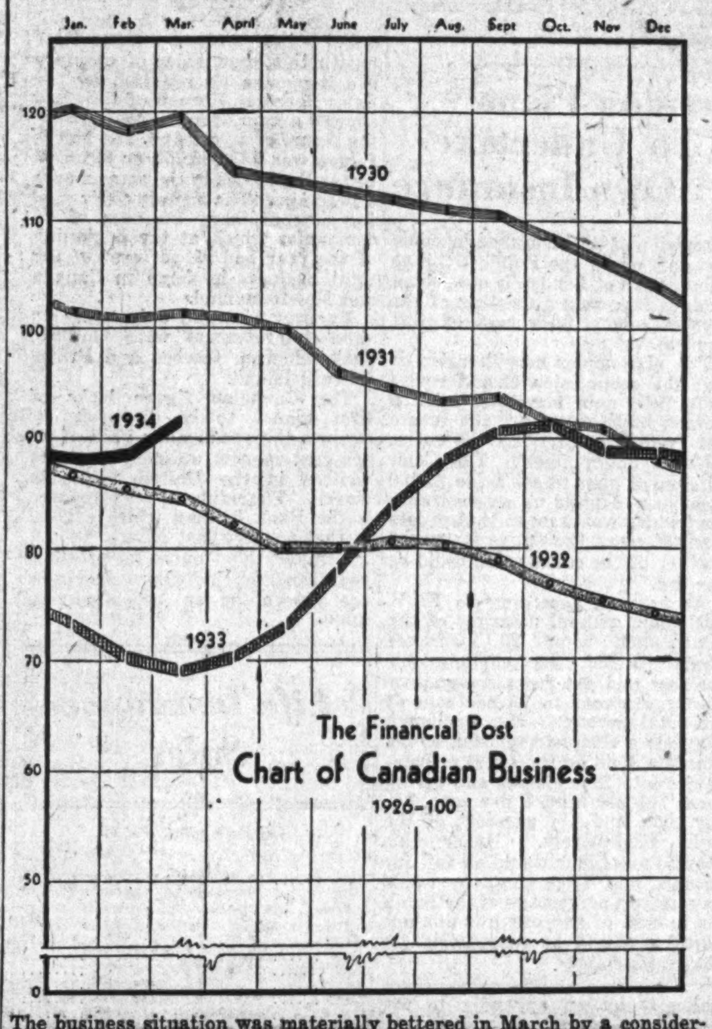
The index was 91.7 compared with 88.5 in February. It is seldom that such a large gain can be reported, but the rise is justified by the spectacular gains registered by a wide variety of industries.

The mining industry was more active in March. Exports of copper were 29,367,000 pounds, a total surpassed in three other months only during the post-war period. As far as volume is concerned the copper mining industry is now operating at a level not far from the record high point.

Operations in the pulp and paper industry were accelerated to the highest point since October, 1930. Production of newsprint if maintained indicates that better times have arrived for the industry. The gain in the index was from 119.3 in February to 131.8 in March.

The power industry presents a bright picture, marked gains having been shown during the first quarter with March in new high territory. Even when exports and electric boiler use are deducted the levels of 1930 were exceeded. After seasonal adjustment the decline in carloadings during February was more than counterbalanced by the greater activity of March. Employment in wholesale and retail trade showed further gain in March and was greater than in that month of either 1932 or 1933.

Exports staged a sharp recovery in March subsequent to the decline of the preceding month, the total of the first quarter being much in excess of either of the two preceding years. The gain in imports after seasonal adjustment was moderate. The excess of exports over imports was consequently of considerable dimensions.



The business situation was materially bettered in March by a considerable number of brilliant advances. The mining industry showed enhanced activity, the marketing of gold and base metals registering sharp gains. The output of newsprint was reminiscent of more prosperous days and lumber was exported in heavy volume. The automobile industry accelerated operations, reflecting improved demand. The power industry effected important recovery and exports reflected heavy movement of commodities to external markets.

KEY FACTORS IN FINANCIAL POST BUSINESS INDEX, MARCH, 1934

		Indices		Original Data	
		Feb., 1934	March, 1934	March, 1933	March, 1934
Copper exports	pounds	183.0	299.8	3,062,500	29,367,000
Gold shipments	ounces	150.8	207.8	274,925	321,010
Silver shipments	ounces	86.0	69.9	1,662,418	1,580,207
Asbestos (better grades)	tons	53.9	65.9	3,641	7,814
Sugar manufactured	pounds	27.4	24.0	56,432,000	21,360,155
Cattle slaughterings	head	152.0	126.0	89,338	102,914
Sheep slaughterings	head	222.9	236.9	41,658	38,133
Hog slaughterings	head	120.3	117.9	250,468	258,824
Cheese exports	pounds	11.2	22.2	452,900	447,400
Canned salmon exports	pounds	67.6	83.8	2,279,900	4,010,300
Newsprint production	tons	119.3	131.8	137,078	210,129
Woodpulp exports	pounds	59.8	67.6	89,052,500	125,073,500
Planks & boards exp.	feet	81.9	71.1	60,460,000	131,349,000
Shingles exported	squares	56.3	73.7	85,271	162,476
Steel ingot production	long tons	92.9	99.5	11,212	72,923
Pig iron production	long tons	21.5	18.6	......	12,101
Motor cars	No.	49.5	67.9	6,632	14,180
Contracts awarded	$	42.0	46.3	3,191,600	7,517,500
Building permits	$	14.4	11.1	934,555	1,089,481
Electric power av. daily	k.v.h.	168.9	176.0	44,227,000	57,923,000
Carloadings	No.	71.4	74.3	157,416	189,236
Trade employment	index	116.3	119.2	107.6	116.1
Imports	$	64.0	64.7	32,963,000	47,521,000
Exports	$	63.7	73.0	36,579,000	58,300,000
Bank debits	$	119.7	130.8	1,887,000,000	2,488,913,660
Financial Post Business Index		88.5	91.7	69.9	91.7

Business Recovery in Dominion Now 31 p. c. Above Low Point

Many Indices Support View That Present Industrial Activity is Well-Founded in Canada

The first quarter ended with a burst of activity, with a goodly number of bright spots distributed over the industrial picture.

During the last twelve months Canada has travelled far toward economic recovery. From March to October of last year a rapid pace was in evidence resulting in an unprecedented gain in business operations. During the period of observation from the end of the war to the present there has never been such a comeback during seven consecutive months as occurred last year.

Sharp March Upturn

After October a reaction set in which was natural in view of the rapidity of the recovery during the central part of the year. The reaction proved to be of a moderate character extending to the second month of this year. Measured by the preliminary of The Financial Post business index, the reaction was sharply reversed in March.

The index in March moved into a new high position since the latter part of 1931, a slight gain being shown over the index of last October, the maximum for 1933. While receipt of full information may moderate the phenomenal showing in March, the predominance of gains in the factors presently available, justifies the hypothesis that as far as business operations are concerned we have broken out on the upward side with conditions favorable for further expansion in 1934.

Sharp Contrast With 1933

A sharp contrast is displayed by the disparity between the indices of general activity in March of last year and for the latest month for which statistics are available. In this connection it must be kept in mind that at the end of the first quarter of 1933 the economic situation of Canada was at a low ebb. Four years of persistent decline had elapsed resulting in a level of operations characteristic of a major depression.

For the last six months industrial activity has been at a level similar to that for the period from the beginning of 1923 to the middle of 1925. Owing to the expansion in industrial capacity during the last ten years, it is evident that present levels are greatly below what may be described as the normal long-term growth.

Improvement is 31 Per Cent

It is obvious, however that the low point of the depression has been passed. The magnificent resumption of activities in the twelve months inspires confidence that the economic recovery is no longer a mere prospect. There is tangible evidence that at last after four years of discouragement, the early stages of the recovery have materialized. A gain of thirty-one per cent in The Financial Post index based on 47 factors in the last twelve months presents a piece of evidence which cannot very well be ignored or rebutted.

But the very fact that according to statistical calculations, the present level is still much below normal is another element in the picture of favorable prospects. We have enjoyed a year of rapid recovery but the goal of prosperous conditions lies in the future. Measured by the developments of March we are headed in the right direction.

Is Improvement Justified?

Provided these conclusions were based on the trend of business operations alone, a question might be raised as to whether they were justified. The financial background has obviously taken on a brighter tint since March of last year. At that time commodity prices dipped below the pre-war level, and enterprise in view of the persistent price decline of about four years, despaired of profitable operation.

The official index based on 567 commodities registered an advance of nearly 12 per cent during the last 12 months. Speculative commodities consisting mainly of raw materials advanced at a much faster rate and the recovery in farm price did much to close the gap which is the bugbear of the farmer. Wholesale prices at the present time are practically at the highest level since the early months of 1931. In addition there is the difference that at that time the decline appeared to be continuous while an upward trend has now existed for about twelve months.

Bond Prices Trend Reversed

The high-grade bond market has been transformed since the early months of 1932. At that time Government bond prices dropped to the lowest point reached after the first half of 1924. The low level of high-grade bond prices of two years ago was regarded as a reactionary factor of fudamental importance. The recovery of the last two years has been no less than spectacular resulting in abnormally high levels in March. The reactionary factor of two years ago has been completely changed over into one of the most constructive on the economic horizon today.

Bank Deposits Lag

According to historical precedent banking factors tend to lag behind the factors representing speculation and business operations. It appears that bank deposits are no exception to the rule. The best that may be said in this regard is that bank deposits were maintained at about the same level as that of 12 months ago. As current loans continued to decline with the settlement of old accounts, the surplus of notice deposits over current loans has increased, contributing to the liquid position of the banks.

Speculators and investors have not failed to appreciate the alteration in industrial prospects. Measured by the official index of common stocks, the average price showed a gain of 80 per cent in the 12 months, the index moving up from 49 to 88.

Best Since Summer, 1931

Giving a weight to each of these major factors, the economic situation showed marked betterment in March over the first two months of the year, the temporary peak in the fall of 1933 being exceeded. The economic position was consequently more favorable than at any time since about mid-summer of 1931. The low point for 1933 was reached in March which contrasts sharply with March of this year which has capped the recovery of the last twelve months.

Standing of Key Industries

It is well known that the marked industrial expansion in Canada during the prosperous period culminating in 1929 was mainly bound up with the fortunes of about half a dozen industries. Most industries were actively sharing in the prosperity but a number of aggressive groups set the pace and the phenomenal advance in the general average of industrial production mainly reflected the rapid growth of favored industries in a position to take advantage of prevailing conditions.

During that period Canada was prosperous partly because of the activity in the automobile industry. The statistics of output in March indicate that with the building up of purchasing power, the industry is already expanding operations.

The oil and rubber industries allied to the motor car industry also achieved expansion during the long cycle of prosperity, and will again stand to benefit as conditions improve.

The mining industry is fitted to surpass the high levels of operation characteristic of five or six years ago. The new high point of gold shipments in March, as well as the heavy shipments of nickel and base metals in March is a sign of the times.

While low prices for the product are a handicap, the newsprint industry is equipped to step up operations to meet expanding markets. The output in March was greater than in any month since October, 1930.

The power industry has probably effected the greatest recovery, the production in March reaching a new high in history. Even after deducting the exports and the portion used for electric boilers, the production was greater than the maximum in 1930.

Wheat growing and construction complete the list of outstanding industries cited in this connection. In these lines conditions are still unfavorable and it cannot be said that recovery has been achieved until additional industries are participating.

Canada Leads Employment Improvement

Canada is listed among one of 22 countries of the world which showed further declines in unemployment during the first quarter of 1933. The three countries to show the greatest improvement were the United States, Canada and Germany. Only five countries namely Belgium, Bulgaria, France, Irish Free State and Portugal showed an increase in jobless.

According to this report, unemployment in the United States fell from 13,294,000 in March, 1933, to 11,374,000 last March. Germany now gives its unemployed figure at 2,800,000 or just half the 5,600,000 reported a year ago. Apparently, Germany, however, has failed to give the usual index of employment for the past two quarters. Unemployment in Great Britain is shown at 2,914,000 in March, 1933, compared with 2,343,000 in March of this year.

According to an international survey conducted by the Daily Express of London, England, some 6,000,000 idle workers have been reabsorbed into industry during the past twelve months. The British Empire is reported to lead all countries in the measure of recovery achieved with a total reduction in the number of its unemployed approaching the 1,000,000 mark.

First Quarter Gains of Canadian Business

There is no more impressive evidence of Canadian business recovery within the past few months than in the following compilation prepared by The Financial Post to show the percentage gains in key business statistics during the first quarter of 1934 as compared with the same quarter of 1933. The list includes all figures for which three months data are at present available. In the case of weekly figures the record includes the first two weeks in April.

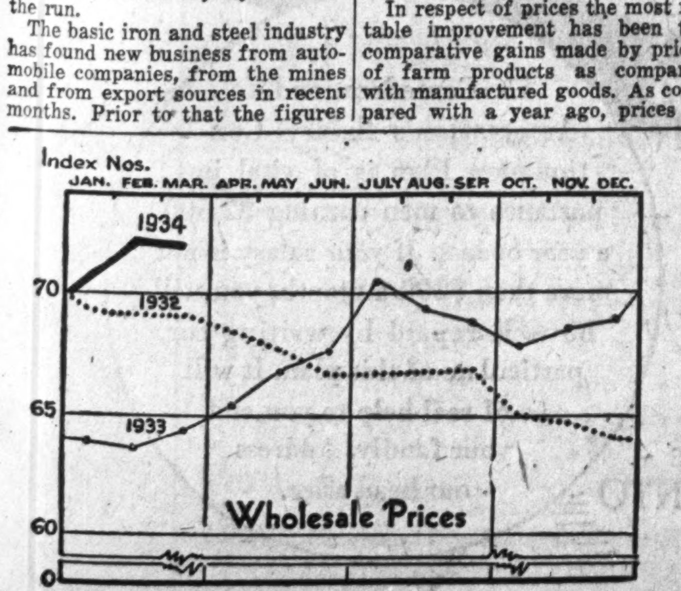
As representative of the general improvement that has taken place since this time last year, the gain of about 31% in The Financial Post index of business, is representative of business as a whole. The same index after seasonal adjustment indicates a gain of between three and four per cent since the end of last year.

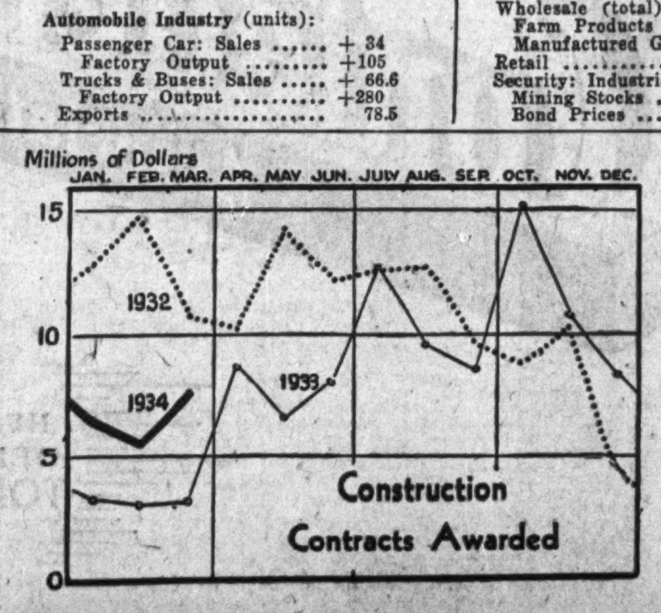
TREND OF CANADIAN BUSINESS IN FIRST QUARTER, 1934, COMPARED WITH FIRST QUARTER, 1933.

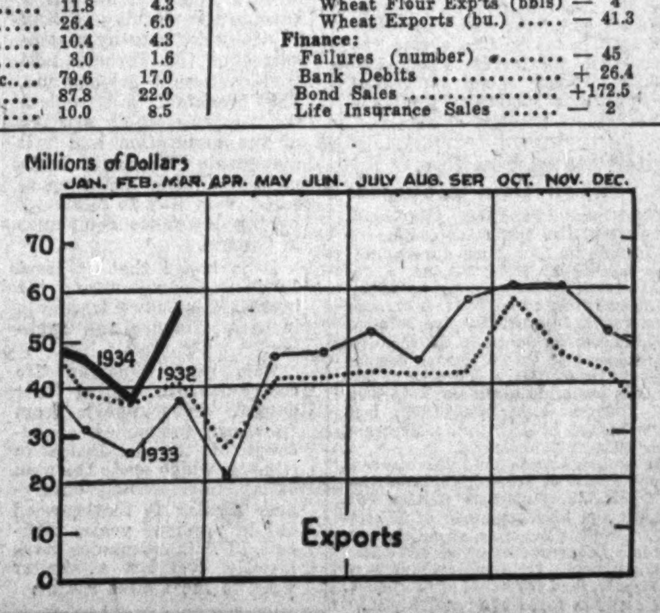
	% Change
Transportation:	
Car loadings (to April 14)	+ 24
C. P. R. Gross Earnings (to April 14 $	+ 16.9
C. N. R. Gross Earnings (to April 14) $	+ 22.8
Mining:	
Copper Exports (lbs.)	+744
Gold Shipments (ounces)	+ 1.6
Silver Shipments (ounces)	+ 22
Electric Power Production	+ 26
Automobile Industry (units):	
Passenger Car: Sales	+ 34
Factory Output	+105
Trucks & Buses: Sales	+ 66.6
Factory Output	+280
Exports	78.5

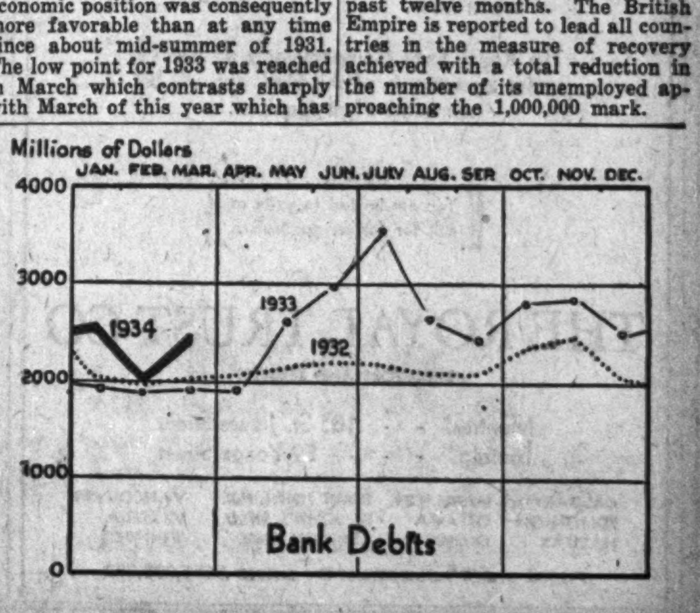
	% Change Compared With	
Business Conditions:	Mar. 1933	Dec. 1933
F. P. Index (monthly) (Mar.)	+ 31	+ 4
D.B.S. Index (weekly) (to April 14)	+ 24.3	+11.7
Employment (April 1)	Compared With	
	Apr. 1, 1933	Jan. 1, 1934
All Industries	+ 20	+ 3*
Manufacturing	+ 16	+10*
Trade	+ 7.8	+ 2.8
*Before seasonal adjustment.		
Prices (March, 1933)	Compared With	
	Mar. 1933	Dec. 1933
Wholesale (total)	11.8	4.3
Farm Products	26.4	6.0
Manufactured Goods	10.4	4.3
Retail	3.0	1.6
Security: Industrials, etc.	79.6	17.0
Mining Stocks	87.8	22.0
Bond Prices	10.0	8.5

	% Change
Iron & Steel (tons):	
Pig Iron Production	+ 55.4
Steel Ingot Production	+ 70.1
Construction:	
Building Permits ($)	— 12.8
Contracts Awarded ($)	+104
Newsprint:	
Production (tons)	+ 42
Exports (tons)	+ 50
Trade:	
Imports ($)	+ 40
Exports ($)	+ 20
Wheat Flour Exp'ts (bbls)	— 4
Wheat Exports (bu.)	— 41.3
Finance:	
Failures (number)	— 45
Bank Debits	+ 26.4
Bond Sales	+172.5
Life Insurance Sales	— 2









Insurance For Buyer and Seller

EXPECT COMMONS WILL APPROVE INSURANCE ACTS

Government Support Expected to Controversial New Statutes

From Our Own Correspondent

OTTAWA.—Approval of the revised insurance acts by the House of Commons is regarded as a certainty inasmuch as the Government has decided to sponsor both bills.

At the moment the Foreign Insurance bill is standing for first reading in the Commons, while the Canadian and British insurance bill awaits third reading in the Senate. Both bills came out of the Senate banking committee with only minor amendments. In principle they are precisely the same as originally introduced by Rt. Hon. Arthur Meighen. The persistent opposition to them offered by G. D. Finlayson, superintendent of insurance, has been unavailing and is likely to be equally unavailing in the Commons.

Ottawa Deaf to Criticism

There are two controversial clauses in the legislation, one in each bill. Concerning these clauses there has been much discussion both in the press and in the Senate committee. With regard to both, the official view at Ottawa is that the criticisms are not well founded.

One reason for opposition to the registration of Lloyds at Ottawa is the question of taxation, it being argued that Lloyds is not taxable and, therefore, to register them would discriminate against established companies which pay many taxes to various jurisdictions where they operate.

The Ottawa view on this matter is that Lloyds (being groups of individuals and not a company) would not pay taxation directly to any Canadian Government for the reason that the groups would not establish direct subsidiaries in Canada. Lloyds would enter Canada, however, through agents, and these agents, naturally, would be subject to Canadian taxation just as any other insurance operator.

Active Lobby Maintained

While the bills are likely to go through the Commons without material amendment, there is every indication of an active lobby against both these clauses and there are reports, well founded, that one or two cabinet ministers have expressed sympathy with the malcontents.

But the understanding arrived at, it is believed, when the bills were presented to cabinet by Mr. Meighen was that the Government would accept as government measures the texts approved by the Senate committee.

Hungarian Partridges for N. B.

Seventy-nine Hungarian partridges were recently released by the Saint John branch of the New Brunswick Fish and Game Protective Association and will be an addition to stock already established in these parts. The birds thrive well in practically all parts of the Maritimes.

Business Insurance Articles Widely Read

From all over Canada has come an extraordinary demand for reprints of the articles on business insurance which have been appearing in The Post in recent weeks. This series, to the best of our knowledge, is the first complete Canadian treatment of the subject.

Reprint orders now exceed 11,000 on each article.

This is article 22 of two series.

Reprints, five cents per article, postpaid. Special price on quantity orders. Send $1.25 for the complete series of 25—22 to be sent at once and balance of series to be sent postpaid as published.

THE FINANCIAL POST
481 University Ave.,
Toronto

IF YOU OWN A BUSINESS OR AN INTEREST IN A BUSINESS AND IF YOU WISH TO HAVE IT SOLD WHEN YOU DIE

An Impartial Valuation Is Necessary

- Plan an agreement with one or more of your business associates, under which the survivors buy the interest of the first to die.
- Consider the appointment of a trustee to arrange the impartial valuation, perhaps many years from now.

The Royal Trust Company acts as trustee under agreements of this kind, and will be on hand when required.

You are invited to write or call for further particulars.

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ASSETS UNDER ADMINISTRATION EXCEED $657,000,000

252

Converting Into Cash Your Business Goodwill

Many Points Must be Watched Before This Elusive Business Factor Can be Captured

By R. M. HAULTAIN

When it is agreed between the business partners who control a close corporation or a partnership, that the interest of the first to die should be bought by the survivors, the method of valuing goodwill should be stated in the agreement.

The value of the goodwill of a business is usually a difficult figure for buyer and seller to agree upon. No value can reasonably be placed upon it until the business has proved that goodwill exists by returning an average profit over a period of years in excess of the normal interest rate the invested capital would earn in less hazardous investments. It follows, therefore, that the cash value of goodwill in a new business is practically nil.

No Hard and Fast Rule

In planning a stock purchase agreement, financed by life insurance, for a new business, there is no knowing whether the deceased's interest will be bought by the survivors in a month's time or in thirty years time, so it is obvious that the inclusion of a goodwill valuation method in the agreement is advisable. As these agreements are subject to amendment if properly drawn, the formula may be amended to suit conditions as time goes on.

No hard and fast valuation formula is applicable in blanket form to different types of business so the flexible "year's purchase method" is the one generally used in Business Life Insurance Trust Agreements.

Year's Purchase Formula

Name a reasonable return on capital; say six per cent. Take average net profits after deducting cost of management and taxation. Exclude abnormal years. Take the six per cent of the average capital and surplus combined.

Subtract the six per cent from the average net profits determined above. Multiply the result by a number representing the number of years selected, ranging from one to ten, judged to be the right factor for the type and characteristics of the business in question.

Example:

Retail business. Incorporated. Good location. Owns its own premises. Two partners. Established fifteen years. Average net profits on above basis ten per cent. Four years selected as multiplication factor.

A. Average net profits	$ 10,000
B. Aver. total capital plus surplus.	100,000
C. Six per cent of B	6,000
D. A minus C	4,000
E. Value of goodwill (4 x $4,000) ..	16,000

In this case exception would probably be taken by an outside buyer to the use of four years as the multiplication factor. He might say that two years was nearer the mark. The agreement, being a friendly arrangement between business partners, is designed to exclude the intrusion of outsiders, and to prevent just such arguments.

Formula May Be Waived

As the spirit of the agreement is to arrange beforehand that a fair and even generous value for the deceased's interest should be paid to his family, it is only reasonable that a more generous application of the formula might well be agreed upon between business partners than could be agreed upon if the sale were to outsiders.

This aspect becomes more apparent if we summarize the purposes of the agreement:

(1) To enable the survivors to acquire the deceased's interest so that they may carry on unhampered by the deceased's family connection.

(2) To create and finance a guaranteed cash market for the deceased's interest, on a pre-determined valuation basis.

(3) To strengthen the firm's credit from the time the plan is put in force and reported to the Mercantile Agency.

(4) To build liquid cash reserves available for emergencies.

We find, therefore, that we have more latitude in goodwill valuation for Business Life Insurance Trust Agreements between partners than for the sale of a business to outsiders on a strictly commercial basis.

Goodwill Defined

While the purpose of this article is to discuss goodwill only as it affects Business Insurance Agreements, the necessity arises for a definition of just what we are attempting to value.

Goodwill might be termed:

(A) A customer buying habit, developed over a period of time, to which each dollar spent in advertising has contributed its percentage.

(B) Everything of value in a business not included in the tangible assets.

If a business shows consistent earnings of 20 per cent net on the capital invested plus the surplus, and if capital is worth six per cent, then some portion of the remaining 14 per cent may be attributed to goodwill. But it is apparent that this condition must have been built up over a period of years before it can be termed goodwill and valued as such. An exceptionally profitable year due to rapidly rising markets or an abnormal contract executed would have little if any permanent goodwill value.

Likewise a period of extreme deflation and falling markets reflecting losses disturbs the picture from the long pull viewpoint for the application of the above formula.

Eliminate Extremes

It appears then, as if years of extreme prosperity and extreme depression should be eliminated in determining a fair average of the net profits earned for goodwill valuation purposes.

To sum up: The partners know better than anyone else what the goodwill is worth to themselves. As a Business Life Insurance Trust Agreement is an interior friendly arrangement designed to stabilize values, the partners sometimes wish to name the goodwill themselves in the agreement without recourse to any formula and to revalue it by an appendix to the agreement from year to year.

This is article fifteen of the second series (twenty-two of the dual series) on business insurance written for The Financial Post by R. M. Haultain. The next article of this double series of twenty-five will tell how to arrange to buy an uninsurable partner's business interest.

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BUSINESS IN FORCE OF FORESTERS NOW $131,000,000

Reserve Position Shows Improvement in Past Year

New insurance certificates issued to an amount of just over $4,000,000 are reported in the 59th annual statement of the Independent Order of Foresters. This world-wide Canadian fraternal now reports $131,200,000 of business in force, compared with $152,600,000 at the end of 1932.

Total assets are shown at $45,800,000, of which over 50 per cent is held in high grade Canadian government and municipal bonds. Surplus shows an increase at $1,863,000, while, according to the actuarial report accompanying the statement, the "solvency" ratio of the Order has increased from 103.9 per cent a year ago to 104.3 per cent.

Comparative figures for the past two years follow:

	1933 $	1932 $
New ins. issued	4,026,551	4,924,811
Insurance in force ..	131,186,280	152,554,483
Total income	5,486,467	5,626,765
Policy payments, etc.	4,831,723	4,902,842
Total assets	45,797,312	48,962,320
Bonds (mkt. value)	23,061,389	*25,231,841
Policy reserves	40,873,378	42,766,375
Other reserves	1,870,018	1,725,980
Surplus	1,862,951	1,737,591

*Authorized values.

London Plans To Undertake Own Insurance

Revision of the insurance schedule now carried by the Public Utilities Commission of London is now being planned following a meeting of the commissioners in respect of this problem.

The plan under consideration is that the commission should revise its policies and premiums with a view to building toward the future and eventually carrying the entire $650,000 policy itself. The Commissioners plan to set aside $5,000 each year to build up an insurance fund which would mean that in less than 20 years the entire insurance liability of the commission could be handled.

At present, according to E. V. Buchanan, general manager of the commission, some 20 insurance agents divide the commission's business and get from one-quarter of one per cent to 13 per cent of the total account. Mr. Buchanan suggests a complete revision of the schedule dividing the agent or companies into four classes and giving them 7½ per cent, 5 per cent, 3¾ per cent, and 2½ per cent of the total respectively. Under this scheme premiums would all fall due at one time. Each company would pay its own percentage of the liability in case of any one loss and one adjustor would be responsible for the entire claim.

What About "Synthetic" Fleets?

I have been appointed recently by a group of professional men and women to investigate the possibilities of group automobile insurance.

I understand only a few companies consider such a scheme and would like to know their names, if possible.

What you are attempting to investigate is what is commonly known as the "synthetic" fleet plan for automobile insurance.

This is a comparatively new development of the past few years and has sprung up (as far Ontario is concerned) since the provincial insurance department decided to abandon the control it previously exercised against rate discrimination. In other words, under the previous Ontario law the privilege of a lower rate for fleet insurance could be applied only to a fleet of more than five cars actually owned and operated by one corporation or individual. It was considered discrimination against other insurers to allow a lower premium rate because people happened to live on the same street; work in the same building, or belong to the same profession. Hence the term "synthetic."

As far as we can ascertain, member companies of the automobile tariff body (Canadian Automobile Underwriters Association) are prohibited from writing this type of policy by common consent of the membership since the majority feel that it is not an ethical way of doing business. Accordingly, if you are interested in this type of policy you should get in touch with some of the non-tariff companies or groups.

One important feature of this type of policy is that according to the new uniform automobile insurance law now in force in Ontario an insurance company can no longer issue a so-called "master" policy on these "synthetic" fleets as was the practice in the past, because the present law states that every policyholder must present a signed application for his policy and also must receive and hold either "the policy or a true copy thereof." In the past a great many group or "synthetic" fleet policies were written under a master policy with each individual merely signing an endorsement.

Thus despite the stand taken by the tariff companies, as long as this provision of an individual policy and application is complied with, there is now nothing in Ontario law to prevent a group of individuals being written at a preferred rate.

North of Scotland Mortgage Loss £14,917 in 9 Months

North of Scotland Canadian Mortgage Co. of Aberdeen suffered a loss of £14,917 in the nine months from May 15, 1933, to Feb. 15, 1934. After deduction of profit and loss credit balance of £2,147, and adjustments, a debit of £12,606 was carried forward in revenue account.

Collections were some £31,788 in excess of disbursements, and compare with some £18,500 for the full year to May 15, 1933. Mortgages stand at £1,612,065 and foreclosed real estate at £99,598 in the balance sheet. The reserve fund was increased £25,031 to £256,123, leaving a net reserve of £243,517 after deducting the profit and loss debit in revenue account.

United States Fire Cos. Show Gain in Surplus

Three hundred and forty joint-stock and mutual fire insurance companies authorized in New York during 1933 show assets of $2,061,931,044, a decrease for the year of about $273,000,000, according to official Insurance Department figures. Surplus totalled $707,046,958, an increase of $35,000,000; capital of United States companies of $294,020,244, a decrease of $6,550,000; premium income of $674,809,630, a decrease of $61,000,000; loss payments of $299,945,326, a decrease from 1932 of $116,416,903.

Seventeen Lloyds and inter-insurers report assets of $19,713,244, liabilities of $6,951,733, premiums written $6,974,088 and loss payments of $8,362,035. Co-operative fire organizations, 162 in number, report assets of $4,355,933, payments from policyholders of $5,119,297, loss payments of $3,574,007, and risks in force of $1,204,251,534.

Huge Breakfast To Launch Drive

Plans for a mammoth breakfast party to be held in Toronto the morning of May 28 are under way by a committee of the Toronto Life Underwriters Association. The breakfast will replace the regular monthly meeting of the association and will inaugurate "Financial Independence Week" being sponsored from May 28 to June 2 by life insurance companies in Canada.

It is hoped that at least 1,000 people will attend the breakfast including leaders in industry, finance and banking.

This year Canadian life companies are holding their annual drive apart from American companies, on account of the difference in climate, which made the plan of an international observance similar to that carried out in previous years, difficult. U. S. companies have already observed a similar week in the United States.

Sweeping Changes in Rates Announced by Canada Life

Very important changes in premium rates and conditions are being put into effect by Canada Life Assurance Co. this week with the publication of a new rate book. The occasion was marked last week by a gathering of company managers from the United States and Canada.

The most notable change is the downward revision of rates on participating policies. The change will have the effect of considerably narrowing the spread between the cost of participating and non-par business as written by the company. It is understood that for most policy plans the reduction amounts to as much as $3 per $1,000 of insurance.

Thus, an ordinary life policy at age 35 which formerly was quoted at $27.90 per $1,000 is now quoted at $24.84 per $1,000.

Despite this reduction the company reports it is continuing to maintain reserves on a 3 per cent valuation basis, as in the past.

Another important change is an increase in the company's non-par rate. It is understood that the company's new rates for this type of business will approach the new schedule announced last year by the "Hartford" companies (that is, the leading non-par companies of Hartford, Conn. which last year announced a uniform increase in rates amounting to roughly 5 per cent).

Comparison with the new Hartford rates with those formerly charged by Canada Life on non-par contracts, indicates that the U. S. schedule ranges from 25c. to $1.50 higher per $1,000 of insurance, than the old Canada Life rates.

Another important change of which no details are available as yet, is a reduction in cash surrender values. This move is in line with the best opinion in the insurance business at the present time, namely that the cash surrender values which have been allowed in recent years are out of proportion especially in the earlier policy years.

Life Insurance Sales in March Up 2.8 per cent

For the second consecutive month this year, sales of ordinary life insurance as reported by the Sales Research Bureau of Hartford showed a gain over the corresponding figure of a year ago. The March figure was $32,966,000 or $920,000 better than sales in the same month a year ago. The figures cover paid for new ordinary business of 19 companies which at the beginning of the year had 91 per cent of the total business in force in Canada and Newfoundland.

By provinces the only areas to show improvement were Ontario, Saskatchewan, Quebec and Prince Edward Island.

The Canadian figure looks at first glance to be disappointing against the spectacular gain of 21 per cent in new ordinary business written in the United States in March. The explanation of course is the Bank holiday which existed in that country last March.

Comparative figures for previous years and for individual provinces are shown in an accompanying table.

Life Insurance Sales

(A) By Months, 1932-34

	1932 $	1933 $	1934 $
Jan.	39,289,000	31,114,000	27,925,000
Feb.	40,636,000	28,776,000	29,493,000
March	39,858,000	32,046,000	32,966,000
April	35,922,000	31,666,000	....
May	33,653,000	32,938,000	....
June	43,912,000	35,217,000	....
July	36,720,000	33,006,000	....
Aug.	31,138,000	30,846,000	....
Sept.	27,974,000	28,335,000	....
Oct.	32,918,000	34,534,000	....
Nov.	37,417,000	32,067,000	....
Dec.	32,852,000	41,481,000	....

(B) By Provinces and Newfoundland

	Mar. 1934 $	Mar. 1933 $	Feb. 1934 $
Alta.	1,244,000	1,237,000	1,173,000
B. C.	2,160,000	2,185,000	1,934,000
Man.	1,646,000	1,853,000	1,500,000
N. B.	790,000	875,000	893,000
N. S.	1,100,000	1,253,000	1,105,000
Ont.	14,134,000	13,333,000	12,690,000
P. E. I.	102,000	57,000	71,000
Que.	10,675,000	10,159,000	8,972,000
Sask.	913,000	852,000	830,000
Nfld.	202,000	242,000	225,000
	32,966,000	32,046,000	29,493,000

Total Sales:	
1st 3 months: 1934	90,384,000
1933	91,936,000
	—1,552,000
Decrease, 1934, to date	1.6%
Increase, Mar. '34 over Mar. '33	2.8%

Figures represent new paid for ordinary business by 19 companies having in force at Jan. 1, 1934, 91 per cent of total business in force in Canada. Figures include both Canada and Newfoundland and are prepared by Sales Research Bureau, Hartford, Conn.

Insurance Inklings

JOHN H. MOORE has opened a general insurance office in Saint John, N.B., under the name John H. Moore & Co. For the past nine years Mr. Moore has been connected with the insurance firm of Vroom & Arnold, Ltd., of that city.

H. C. BENDALL has been appointed life branch manager at Hamilton for the Prudential Assurance Co. of England. He succeeds S. R. RUSSELL, who has resigned to devote his attention to production work. Prior to joining the Prudential, Mr. Bendall was associated with the Maritime Life Assurance Co.

Obituary

William A. Thomson, general manager of the Norwich Union Fire Society and one of the best-known and most respected insurance executives in Canada, died April 20 at Toronto. Born in Edinburgh 47 years ago he entered the insurance business with the Norwich Union at its head office at Norwich, England. Seven years ago he came to Canada as assistant to John R. Laidlaw then general manager of the company for Canada and a few years ago succeeded him in that office. Always active in the best interests of the business he has for many years been associated with the activities of the Canadian Automobile Underwriters Association and was its president for a term in 1932.

Roy W. Reed, manager claims department Metropolitan Life died at Ottawa last week at age 48. Born in New York he entered the employ of the company at age 17. He has been connected with the Canadian head office at Ottawa since 1924.

Manitoba Lignite Output Up

Lignite coal production in Manitoba last year was more than double in quantity and value that of 1932. The 1933 output was 3,400 tons.

Is your credit strong enough to withstand the shock of your partner's death?

In too many cases the death of a key-man in a business means the shutting down of credit by banks, dealers, manufacturers. When credit is needed most, it is not to be had, often resulting in collapse of the business.

Your Company's future success can be protected by *Business Insurance* on the lives of its executives.

Consult your Life Insurance Adviser.

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Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
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FIFTY-NINTH ANNUAL STATEMENT
INDEPENDENT ORDER OF FORESTERS

Policy Reserves	$40,878,378.00
Additional Reserves	1,807,018.00
Surplus	1,862,951.25

ASSETS AND LIABILITIES, DECEMBER 31, 1933

ASSETS		LIABILITIES	
Real Estate (Appraised Value)	$ 5,430,974.96	Claims not Completed	$ 118,851.71
Loans on Mortgages (Real Estate)	8,504,759.42	Present Value of Instalment Claims..	131,196.10
Loans secured by Collateral..	600,000.00	Death, Disability and Sickness Claims Reported in 1934	191,734.74
Bonds at Market Value......	23,061,389.24	Accounts Payable, etc.	7,342.58
Stocks	417,306.00	Premiums paid in Advance	26,594.21
Accrued Interest, etc.	656,136.91	Net Sickness Fund	177,557.46
Golden Jubilee Benevolent Fund	114,851.66	Golden Jubilee Benevolent Fund.....	114,851.66
Orphans' Home Endowment Fund	19,608.18	Orphans' Home Endowment Fund.....	19,608.18
Cash in Bank	283,451.51	Insurance Reserve	40,878,378.00
Policy Loans	6,708,833.77	Special Reserve, Pension Grants, etc.	230,961.00
		Special Reserve, Taxes, etc.	230,266.76
		Investment Reserves for Real Estate, etc.	750,000.00
		Fluctuation and Interest Reserves...	1,057,018.00
		Surplus	1,862,951.25
	$45,797,311.65		$45,797,311.65

INCOME
Premiums and Interest, etc. $5,486,468.37

PAID TO MEMBERS AND THEIR BENEFICIARIES
$4,831,723.00

For Death Claims	$2,954,634.36	For Expectation of Life	$ 36,747.97
For Old Age	1,110,403.74	For Sickness and Funeral	123,889.45
For Disability Claims	121,838.68	For Surrender Values	448,840.91

Grants from Surplus $35,367.89

ORPHANS' HOME, SANATORIA AND GRANTS
$96,240.98

Total Payments to Members and Their Beneficiaries Since Organization ..
$119,261,506.81

Insurance in Force
$131,186,280.00

FRANK E. HAND, Supreme Chief Ranger.
JOHN F. LANG, Supreme Secretary.
DANIEL W. MARKHAM, Supreme Treasurer.

The conservative principles which have guided the Confederation Life Association in the investment of policyholders' funds have always been fully justified.

Confederation Life Association

The Confederation Life Association's Salary Continuation Plan is of vital importance to men earning $2,500 a year or less. If *your* salary is not more than $200 a month, you will be well repaid by writing for particulars of this plan. It will be of real help to you and your family. Address our head office.

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1. Consumers Finance Limited have issued hundreds of Savings Certificates to provident persons; to individuals who are THRIFTY and have SHOWN FORESIGHT in providing for their financial future.

2. The Company has a plan for every need. To accumulate $1,000.00 in a certain period requires for

5 years ...... $15.08 monthly
10 years ...... 6.50 monthly
15 years ...... 3.85 monthly
20 years ...... 2.52 monthly

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159 Bay St.

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107 Sparks St.

Ottawa Gives Approval
Premier Trust Co. Merger

Approval was given on March 28 by the treasury board at Ottawa to the purchase and merger by the Premier Trust Co., Toronto, of the Imperial Trusts Co. of Canada, The Financial Post is informed. Shareholders approved of the purchase and merger earlier this year.

The Premier Trust Co. has announced that G. W. O'Grady has been appointed manager of the new business department.

Weekly Bank Clearings

	Apr. 19 1934 $	Change year ago %	Apr. 12 1934 $
Halifax	2,272,707	+ 46.1	2,193,311
Saint John	1,653,369	— 0.1	1,635,058
Moncton	636,302	+ 37.0	563,863
Sherbrooke	541,936	+ 12.6	645,462
Quebec	3,588,728	+ 31.7	3,759,451
Montreal	94,094,102	+ 81.7	100,756,915
Ottawa	4,827,586	+ 59.8	4,194,787
Kingston	553,186	+ 50.1	523,105
Peterboro	646,738	+ 51.2	571,329
Toronto	117,807,099	+ 112.8	113,049,878
Hamilton	3,544,028	+ 40.9	5,096,383
Kitchener	981,780	+ 56.9	1,077,603
Brantford	806,936	+ 44.0	745,807
London	2,654,597	+ 51.6	2,582,013
Chatham	421,929	+ 31.3	476,579
Windsor	2,657,207	+ 45.4	2,091,637
Sarnia	508,897	+ 77.8	431,607
Sudbury	666,339	+ 78.4	763,908
Ft. William	658,062	+ 43.8	614,795
Winnipeg	34,475,742	+ 13.3	32,774,083
Brandon	312,840	+ 23.1	260,561
Regina	2,823,834	+ 13.4	2,930,755
Saskatoon	1,135,449	+ 20.3	1,132,356
Moose Jaw	470,030	+ 20.4	414,343
Pr. Albert	250,921	+ 48.5	246,565
Edmonton	3,765,774	+ 40.7	3,571,187
Calgary	4,463,126	+ 26.5	4,010,082
Medicine Hat	207,815	+ 43.0	220,818
Lethbridge	395,940	+ 49.1	379,815
N. Westminster	470,355	+ 69.7	505,430
Vancouver	14,903,893	+ 60.3	15,612,235
Victoria	1,491,514	+ 49.2	1,558,634

Established 1869

Strength•
Stability•

Assurances in Force (Dec. 31, 1933) $518,521,336.00
Assets $138,912,508.00
Surplus Funds and Contingency Reserves $11,917,520.04

A Purely Mutual Company

Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.

THE MUTUAL LIFE Assurance Company OF CANADA
HEAD OFFICE - WATERLOO, ONT.

Bank Chat on Current Topics

General Managers Testify

MORRIS W. WILSON, general manager of the Royal Bank of Canada, when giving his evidence before the House of Commons banking and commerce committee on April 12, found himself confronted wtih statements from his bank's monthly bulletin.

In one exchange with Henry E. Spencer, U. F. A. member from Battle River, Alberta, the following conversation occurred:

Mr. Spencer: "I have in my hand one of your most excellent monthly bulletins."

Mr. Wilson: "There is a catch in this; go ahead."

Mr. Spencer then read a quotation from the bulletin stating that a central bank, through control of interest rates and open market policy, might prevent too rapid increases or decreases of credit.

Mr. Wilson: "I agree."

Mr. Spencer: "Thank you very much. You have gone up in my estimation."

Mr. Wilson: "I made a mistake somewhere."

* * *

JACKSON DODDS, general manager of the Bank of Montreal, at the hearing on April 10 had a number of penetrating comments to his credit. Some samples:

"I do not think the way to get present-day affairs straightened out is by spending time on monetary experiments."

A questioner—"I know a lot of people who would like to do business on bank loans."

Mr. Dodds—"Well, I would like to accommodate them, if it is a good business proposition, as soon as I get through here."

To a questioner—"You have no right to try to use my views for political purposes in that way."

To a suggestion that banking is largely a question of bookkeeping: "In other words, you suggest that I am a glorified bookkeeper."

"We could not stay in any district unless the district prospers."

"I think the farmer is a pretty shrewd fellow, taking him by and large."

* * *

50 Years in Woodstock

E. J. S. White, manager of the Woodstock, Ont., branch of the Bank of Montreal, recently had the honor of being the incumbent of that office on the 50th anniversary of the opening of the Dundas and Perry sts. branch. It was formerly a branch of the Molson's Bank, since absorbed. C. W. Clinch was the first manager of the branch. He was followed by A. P. Tregent, C. McCuaig, E. W. Waud, J. E. Fidler, J. E. R. Wainwright, C. W. Yarker, J. R. Kirkpatrick and W. W. Symons. Edward Lee was manager of the Bank of Montreal at Woodstock from 1919 until 1925.

Generosity to Hamilton

J. P. Bell, manager of the Canadian Bank of Commerce, Hamilton, recently wrote to Mayor Wilton of that city explaining the bank's fairness in dealing with the municipality. The bank bought $2,100,000 of the city's five per cent bonds at par when dealers were not anxious to buy. Subsequently $1,000,000 of the bonds were sold by the bank at the purchase price. Then, when the city got a chance to sell at a better price, the bank let it repurchase at par the remaining $1,100,000 of bonds.

New Shediac Manager

Norman L. Ford, newly appointed manager of the Bank of Montreal, Shediac, N.B., learned his trade in London, where he was born. He joined the Dresden Bank, London, in 1911, entered the Bank of Montreal, Threadneedle St., London, in 1914. War service intervened. He rejoined the bank in 1919 and came to Canada in the same year.

Service to Gold Fields

The Canadian Bank of Commerce opened a branch at Gold Bridge, B.C., on April 16. L. H. Tabor, manager at Bridge River, is in charge. This takes Mr. Tabor and the bank into the heart of the gold mining district. Gold Bridge is about 30 miles by air and 40 by road from Bridge River. Fishing and swimming are summer conveniences.

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Current Events in Banking World

FEDERAL RESERVE MAY BE ALLOWED 5-YEAR LENDING

Commercial Banks Could Also Extend Intermediate Credits

CANADA SERVED

Seen as Credit Expansion Scheme; Invasion of Banking Field By Government

By DR. GAINES T. CARTINHOUR
School of Commerce, Accounts and Finance, New York University

NEW YORK. — The situation with regard to proposed legislation for five year loans to established industrial and commercial businesses in the United States has been clarified by administrative approval being given to a compromise measure authorizing the Federal Reserve banks to make loans of this type, as well as to rediscount industrial and commercial paper for banks and other institutions for the same period. It is one of the comparatively few bills President Roosevelt has requested Congress to enact before the present session is adjourned, and is to be pressed for immediate action.

This measure, known as the Glass Bill, is a substitute for the proposal advanced by the chairman of the Reconstruction Finance Corporation that this corporation be given the authority to make such loans, and another sponsored by the Federal Reserve Board calling for the establishment of twelve intermediate credit banks, capitalized at $142,000,000, for the same purpose. Its main purpose is to assist small or medium sized companies which are having trouble getting credit through regular banking channels.

Banks Serve Canada

Small companies in Canada are usually taken care of by what are in effect intermediate credits through annual renewal of credits by commercial banks, although it is understood Canadian banks do not favor credits for longer than a year. The proposed changes in the Glass Bill would become a permanent part of the Federal Reserve set-up. In order to aid the Federal Reserve banks, there would be established in each Federal Reserve District an industrial advisory committee composed of from three to five members actively engaged in industry within the respective districts.

In order to secure the necessary funds, the Treasury would purchase from the Reserve banks at par the total amount of stock of the Federal Deposit Insurance Corporation, which they were required to purchase. This will be paid for out of the receipts created by the increment resulting from the reduction of the weight of the gold dollar under the president's proclamation of January 31, 1934, which amounts to approximately $2,800,000,000 at the present time. It is estimated that about $300,000,000 would be made available immediately.

There is considerable difference of opinion as to what would be the results of the granting of such loan powers. In some quarters it is believed that there would be more liberal lending by the commercial banks because five year loans could be rediscounted with the Federal Reserve banks as well as the present short term commercial credit. The provision requiring the bank or other original lender to carry 20 per cent of any loss accruing has an element which would probably tend toward soundness of loans. The measure is also believed to be a part of a credit inflation programme.

Made Survey

Under the emergency laws of March, 1933, the Federal Reserve was empowered to make direct loans to business, but only where the commercial banks had turned down a legitimate borrower and only for the short term of three months. No loans were made under this authorization. The Reserve authorities then were requested by the Administration to make a nation-wide survey of the demand for five year loans by communicating with chambers of commerce, small businesses, and prominent industrial officials. President Roosevelt said that it indicated an aggregate advance of $700,000,000 would save 346,000 jobs and create 378,000 additional. Critics doubt the validity of these figures, and point out that only about a third of these requests actually could be granted on a sound basis.

Intermediate credits are said to be necessary because the capital market has been unsatisfactory for financing since the passage of the Securities Act of 1933, and something must be done to enable companies with maturing securities to secure credits, which commercial banks have been unable or unwilling to grant. Under normal conditions and without such restrictions on re-financing operations, the establishment of such a system as that now proposed would not be necessary. In addition to the reluctance of commercial banks to tie up their funds for long periods in view of their recent experience, and the Securities Act barrier, there is still another problem. A large majority of concerns after four years of depression find themselves in need of working capital funds for a longer period than three to six months.

Some economists believe that the enactment of the Glass Bill would be another factor making it difficult for the Federal Reserve System to curb excessive credit expansion in the future. It is also contended that competition might even develop with investment bankers on the grounds that there is nothing in the law which specifically prohibits the renewal of a five year loan from one of these banks at its maturity.

It is interesting to note that provisions for long term loans to industry along the lines proposed have been or are being set up in several other countries, including Japan, Germany, Sweden and England. In Italy steps have been taken recently to turn all industrial long term financing over to the government. Of course the latter is much more revolutionary in its scope than the Glass Bill.

Can Make Everyone Richer No One Poorer—Douglas

"Social Credit" Advocate Tells House of Commons Committee That Present Banking System Wrong; Suggests Scheme For Canada

Major Clifford Hugh Douglas, world renowned exponent of a theory of "social credit," was the witness before the House of Commons committee on banking and commerce on April 17. Major Douglas suggested that he could make everyone richer and no one poorer, and contended that the existing financial system is wrong. Literally and figuratively, the discussion of the committee wandered "all over the map."

Jackson Dodds, general manager of the Bank of Montreal, filed a statement that had been requested by the committee showing the difference, if any, between the rates of interest charged by the bank on loans to municipalities in Eastern Canada and in Western Canada between 1930 and 1933. S. H. Logan, general manager of the Canadian Bank of Commerce, furnished the committee with circulars and excerpts from letters written between 1927 and 1929 as requested:

The Financial Post continues its summary of the official printed evidence submitted to the House of Commons committee on banking and commerce.

Douglas Presents Views

Major C. H. Douglas specified eight major symptoms of defects in the existing financial system. These were: (1) a surplus of unpurchasable production; (2) a consequent unemployment because we cannot profitably increase production; (3) consequent poverty; (4) redundant industrial plant or machinery or surplus productive capacity in relation to purchasing power; (7) business and industrial depression; (8) increasing competition for foreign export markets, threatening war.

These things were symptomatic of the working of the existing financial system, said Major Douglas, and it is the existing financial system which is at the bar of public opinion. He believed that the existence of these symptoms would not be denied by any reasonable person. Is this condition of affairs satisfactory, he asked? During the past decade or so, he said, something like 75 or 80 per cent of the world's assets have come into direct or indirect possession of the banking or insurance system through liens. Banks would be less than human, he said, if they did not regard this as extremely satisfactory.

If the governments of the world are dissociated from the banking system, then it is not satisfactory to them, he said. It is highly unsatisfactory to the public, and the public is becoming increasingly restive in this regard, he stated. Any effective plan to rectify this state of affairs must have the necessary powers for its achievement and some sort of idea as to how the thing will work, said Major Douglas. It is absurd to suppose that any final plan can be put over at one fell swoop. A limited objective, as a base upon which to make further advances, was advocated. Major Douglas did not think that the financial system is likely to admit the evil of its ways, and that it benefits only itself. He proposed what he called the first step of the possible plan, a tentative scheme which he put before the government of New Zealand. It provided:

Proposes Preliminary Plan

1. No bank to distribute a dividend of more than 6 per cent on the subscribed capital.

2. No bank to increase its capital in such a manner as to affect the gross amount of dividends distributed, except with government consent.

3. Where a bank's assets are shown for balance sheet purposes at lower than the market value, the difference between the book and the market value to be transferred to a suspense account No. 1.

4. All profits earned by banks above the amount necessary to pay a six per cent dividend to be transferred to a suspense account No. 2.

5. Six months from the enactment of the proposal, half credit in suspense account No. 1 be applied to reduction of overdrafts of customers, pro rata with the average overdraft of the customers for the three years preceding the legislation, appropriation of half the credit in this account to be used in the same way in each succeeding year.

6. One month after publication of the balance sheet of any bank, 75 per cent of the credit in suspense account No. 2 be applied to reduction or reimbursement of interest on overdrafts of bank customers, upon the same basis as in 5 above.

7. Similar procedure be laid down in respect of the accounts and assets of all insurance companies except that funds in the insurance suspense account No. 1 be provided by discounting the disclosed reserve with the central bank, disposition of funds so provided to be made as follows: half the amount of suspense account No. 1 be applied annually to paid-for preferred shares or debenture stocks to be applied for by citizens and to be allotted pro rata without charge.

8. Insurance suspense account No. 2 be retained as a dividend equalization fund to ensure dividends on the preference and debenture stocks allotted gratis under clause 7.

Get Liens For Nothing?

Major Douglas stated rapid over-subscription of gilt-edged security issues is due to subscription by banks or insurance companies for nothing. The securities are acquired by institutions writing a cheque on themselves. The result of this is to put into operation the machinery by which the amount of money in a country comes from only two sources; the first of these is that every bank loan creates a deposit and payment of a loan destroys a deposit; and purchase of securities by a bank creates a deposit and sale of securities destroys a deposit. In Major Douglas's opinion the company issuing the securities gets the money in the first place, pays it out partly in wages and salaries, whence it goes back for cancellation through the "process system;" the securities are acquired by writing a cheque on a piece of paper for nothing and financial institutions draw interest on them, and when they sell them destroy deposits. His proposal, said Major Douglas, is to let the general public get the shares for nothing rather than let banks get them for nothing.

Unusual Views

In reply to questions, Major Douglas expressed these views: The power to monetize wealth is in the possession of the financial system. The power to monetize real wealth should be at least shared by the general public. What the banks get for nothing are the liens for which they subscribed by a cheque upon themselves. The cheque may be spent by the recipient on wages and salaries but the banks get a lien on that work of the employees for nothing. The worth of the cheque, proceeds from those who are willing to deliver goods and services in return for it. He did not know the amount of deposits or investments of the Canadian banks and said it was irrelevant to his case. Although banks pay interest on deposits, this is paid in money which the banks themselves create.

System Opposed

His system, by which some one other than the banks gets something for nothing, is having a "hard passage" in other countries because of financial opposition, Major Douglas indicated. He said his system was tried in Austria for about three months in 1923. Austria became bankrupt but, according to the witness, the cause was the League of Nations. Another feature of the Douglas plan, which he did not recommend, is the use by Japan of the national credit to sell exports below cost. The loss to Japanese producers is made up by monetizing the real wealth of the country.

Under the Douglas system everybody would be richer and nobody the poorer. People would be enabled to use something which already exists and which they are prevented from using by the lack of its monetization, in the opinion of Major Douglas. The loss of the Japanese producer, aforementioned, is made up by the government and as long as this credit is outstanding it is the monetary equivalent of the national debt and when paid back the national debt is reduced [illegible] that amount. The collapse of the French assignat in 1790, he said, occurred because there was no real general increase in wealth corresponding to the increase in purchasing power. At present, however, there is a large amount of wealth for which there is no purchasing power. The French were attempting to monetize something which was not available. Major Douglas said collapse of currency in the Southern States in the Civil War, ending in their bankruptcy and default, occurred because the United States were not allowed to deliver the wealth they could have delivered. The Douglas theory proposals are for the creation of further purchasing power chiefly by a reduction in prices. The correct use of the word "credit" is that used by St. Paul when he said that "credit is the substance of new hope for the evidence of things not seen."

Views on Bank Loans

The basis of bank loans, said he, is the ability and the willingness of the general community to give those loans a value in goods and services. The collateral security for a loan is simply security, but the money that comprises the loan is created against the general credit of the whole community, not against that individual, borrower. A bank loan does not increase the real wealth of the customer, but by taking a lien on the company's specific wealth, issues him a draft upon the general wealth of the community and the bank claims that as its property.

The actual distributed profits of banks are, said Douglas, the least objectionable features in banking. The point is the failure of banks to monetize and distribute the monetary value of the real wealth which exists. Lending more money would not provide a remedy, unless it is lent without interest charges, and would merely intensify the debt problem. The proper function of banks is as account keepers providing the public with purchasing power, which, however, would be the property of the public. It would not be repayable loans.

Seeks Admission of Guilt

The Douglas plan, it was explained by the author, requires an admission that the money which the bank lends is neither its own money nor its depositor's; but is new money and belongs to the public. A sound financial system is primarily an accounting system, secondly a distributing system. Under the Douglas system, Canada would have less difficulty in paying foreign debts than we have at present. Canada can be put in a position to dispose of unusable surpluses to a greater advantage than it is able to do at the present time by the adoption of slight modifications of its financial system. Canada might dispose of her wheat in the same manner as Japan is disposing of her surpluses by cutting export prices. If everybody tried to do what Japan is doing, there would simply be a much lower price level all over the world and everybody could buy a good deal more with the existing purchasing power.

Purchasing power supplied to the consumers through production does not enable consumers to buy the output because there are large quantities of prices going into costs which were generated in a period of time outside the cycle during which the purchasing power is in circulation. This means that the prices were generated outside the cycle in which the money is available to buy them. If there were free trade, it would not make the slightest difference in purchasing power, according to Major Douglas.

Monetizing Wealth

A greatly increased production comes from the association of individuals combining their efforts. A decreasing number of people can now produce all the wealth which is required by everybody. The surplus wealth produced is the increment of the community. The problem, said Major Douglas, is to monetize this unearned increment and distribute it. This is the basis of social credit. It is suggested that the process of monetizing be transferred to the public, not left with the banking system because people cannot get the increased production unless they have the money with which to buy it.

Douglas said his scheme would subsidize consumption. In wheat, for instance, this might bring a greatly increased production. It is possible to devote too much land for the growing of wheat, and one of the best ways of dealing with that would be to consider the transfer of land from one individual to another. Transfer of additional land for the purpose of growing wheat would be prohibited. Unlimited production would not be allowed.

The above-mentioned proposal to issue free shares in insurance and banking institutions to the public would not provide an adequate purchasing power but would probably have to be added to, said the witness.

Happy Days

His system, he said, would immediately bring back the happy days of 1926 and 1927. It may not be a desirable thing that the whole world should be covered over with factories or even wheat lands and some means of dealing with that situation is, therefore, necessary. The system contemplates subsistence for everyone. Everyone would not have to work if he did not want to. The system would make possible the practical abolition of taxation. It would make the railways in Canada pay. The railways would be able to earn sufficient money to amortize their debt very quickly. The mining of gold is only of importance to the sense that it is required for the "stopping" teeth. Beyond that it has no value whatever. The system does not contemplate any shirt system like the Nazis, Major Douglas averred.

It would not be wise to go any farther than the preliminary suggestions made above until it is seen whether even they would be adopted in Canada, because it is as far as governments at the present time are likely to go as a first step, in the opinion of Major Douglas.

Obituary

Duncan McLean, manager Calgary division of Crédit Foncier Franco Canadien, and Calgary branch manager of the Holland Canada Mortgage Co., died on April 14 at Edmonton.

Foreign Exchange Markets

RUMORS of a further devaluation of the American dollar have become more widespread. This was mentioned a month ago in this column. While rumor is not always reliable, francs have gone above the point at which gold export from the United States is profitable. Either gold will be exported, or the new style American gold standard will be considered bogus. In the latter event devaluation may be more probable. Foreign exchange markets, always sensitive, have apparently been giving some heed to the rumors; example: the Canadian dollar has moved well above New York in the last week.

French authorities continue adamant in their intention to stay on gold. Economists state France must either deflate or devalue. Certain sections of the citizenry have objected strenuously to deflation. But the stabilizing French peasant class is for gold, and this may be the determining factor. For France has already to some extent braved the wrath of radical anti-deflationists. But another American devaluation would be expected to place terrific strains on the remaining gold standard countries.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Apr. 17 $	Apr. 18 $	Apr. 19 $	Apr. 20 $	Apr. 21 $	Apr. 23 $
U. S. dollar, High	.5906	99¾	99⅞	99 13/16	99 11/16	99⅜	99 7/16
Low	.5906	99 21/32	99 13/16	99 11/16	99 5/16	99¼	99½
1933 High	1.000	....	1.19½	1.18⅛	1.14	1.14½	1.14⅛
Low	1.000	....	1.18½	1.14⅝	1.13	1.13	1.31¼
U. K. pound	4.8665	5.14¼	5.12⅝	5.13	5.14¼	5.13¼	5.13¼
Argentina	0.9648	0.2514	0.2505	0.2502	0.2455	0.2503	0.2509
Australia	4.8665	4.0907	4.0784	4.0802	4.0891	4.0796	4.0830
Austria	0.1407	0.1895	0.1897	0.1899	0.1898	0.1918	0.1912
Belgium	0.1392	0.2333	0.2335	0.2339	0.2350	0.2347	0.2360
Brazil	0.1963	0.0900	0.0901	0.0900	0.0898	0.0897	0.0899
Czechoslovakia	0.0296	0.0416	0.0415¾	0.0416½	0.0418	0.0420	0.0420
Denmark	0.2680	0.2300	0.2292	0.2293	0.2298	0.2296	0.2292
France	0.0392	0.0659	0.0659	0.0660½	0.0663	0.0665	0.0665
Germany	0.2382	0.3938	0.3937	0.3943	0.3955	0.3949	0.3938
Greece	0.013	0.094¾	0.090¾	0.095½	0.095½	0.096¼	0.095
Holland	0.4020	0.6760	0.6761	0.6769	0.6800	0.6817	0.6810
Hungary	0.1749	0.2973	0.2975	0.2976	0.2975	0.2982	0.2977
India	0.3650	0.3930	0.3917	0.3887	0.3881	0.3915	0.3913
Italy	0.0526	0.0852	0.0850½	0.0849½	0.0858	0.0857	0.0857
Japan ⅛	0.4985	0.3068	0.3069	0.3061	0.3059	0.3056	0.3062
Jugoslavia	0.1929	0.0228	0.0227½	0.0228½	0.0229	0.0231½	0.0230
New Zealand	4.8665	4.1071	4.0947	4.0965	4.1054	4.0960	4.0993
Norway	0.2680	0.2588	0.2577	0.2582	0.2591	0.2582	0.2582
Poland	0.1122	0.1897	0.1896	0.1899	0.1898	0.1917	0.1912
S. Africa	4.8666	5.1321	5.1166	5.1189	5.1302	5.1183	5.1224
Spain	0.1929	0.1366	0.1366	0.1368	0.1372	0.1378	0.1377
Sweden	0.2680	0.2654	0.2645	0.2647	0.2657	0.2649	0.2653
Switzerland	0.1930	0.3231	0.3233	0.3239	0.3253	0.3265	0.3258
Hong Kong	0.5422	0.3851	0.3873	0.3853	0.3851	0.3851	0.3824

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GROWN IN SUNNY, SOUTHERN ONTARIO

NORTH VANCOUVER MAY PAY BY 1936

Commissioner Reports City and District Tax Revenues Down

City of North Vancouver may be able to resume payments of bond interest early in 1936, according to the recent report of Charles E. Tisdall, commissioner for the defaulting city. Said he: "I do hope and think, providing nothing unforeseen happens, that payment of coupon interest should be resumed early in 1936."

Many are still unemployed in the city, said the report, and lands are still falling to the municipality for tax arrears. A substantial shrinkage in the city's sinking fund is reported to have been due to realization in 1932 on £26,100 of G. T. P. perpetual debentures to meet maturities. Tax collections in 1933 totalled $200,115, or 56.5 per cent of the levy, compared with $250,519, or 60.3 per cent of the levy in 1932.

The District of North Vancouver, for which Mr. Tisdall is also commissioner because of its default, paid off $94,463 in floating liabilities in 1933, and greatly reduced municipal services. Floating liabilities stood at $136,248 at the end of the year. Although no interest was paid, $61,823 of local improvement debentures were met from sinking fund in 1933. Current tax collections were $110,494, or 38.1 per cent of the levy, compared with $167,150, or 48.9 per cent in 1932.

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Student in Commerce and Finance at the University of Toronto desires position for summer months, preferably in office. Please apply to Box 280, The Financial Post, Toronto, Ont.

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DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND No. 284

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after FRIDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on 30th April, 1934.

By Order of the Board.

W. A. BOG, General Manager
JACKSON DODDS, General Manager

Montreal, 20th April, 1934.

McIntyre Porcupine Mines Limited

(No Personal Liability)

DIVIDEND NO. 62.

Notice is hereby given that a dividend of five per cent. (5%), plus an extra dividend of two and one-half per cent. (2½%), plus a bonus of two and one-half per cent. (2½%), on the Company's Capital Stock, will be paid in New York funds on June 1, 1934, to shareholders of record at the close of business on May 1, 1934, free of any tax payable at the source under The Canadian Income War Tax Act.

By order of the Board.

BALMER NEILLY,
Treasurer.

Dated at Toronto, April 19, 1934.

The Canadian Bank of Commerce

Dividend No. 189

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1934, and that the same will be payable at the Bank and its Branches on and after Friday, 1st June next, to shareholders of record at the close of business on the 30th April, 1934. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 20th April, 1934.

Loblaw Groceterias Co. Limited

Notice is hereby given that a quarterly dividend of 25c per share and a bonus of 15c per share on the Class "A" shares, and a quarterly dividend of 25c per share and a bonus of 15c per share on the Class "B" shares of the Company have been declared for the quarter ending May 31st, 1934, payable on June 1st, 1934, to shareholders of record at the close of business on May 14th, 1934. Payment will be made in Canadian funds. The transfer books will not be closed.

By order of the Board.

D. URQUHART,
Secretary.

Toronto, April 18, 1934.

HILLCREST COAL OPERATIONS OFF OVER PAST YEAR

Operating Loss Reported But Other Income Helps Out

From Our Own Correspondent

MONTREAL.—Operating conditions experienced by the Hillcrest Collieries last year were unusually difficult. Curtailment of business in the West, with the resultant shrinkage of freight movement, which in turn adversely affected the company's sales, combined with general price instability, caused an operating loss of $21,875 compared with a profit of $51,720 in the preceding year.

Income and Surplus Account
Years Ended Dec. 31

	1933	1932	1931
	$	$	$
Net profit	†21,875	51,720	10,824
Misc. rev.	14,260	13,329	19,353
Total net	*7,615	65,050	30,177
Bond int.	16,250	16,250	16,250
Balance	*23,865	48,800	13,927
Pfd. divid	......	......	12,349
Balance	*23,865	48,800	1,578
Prev. surp.	260,954	212,155	210,577
P. & L. bal.	237,089	260,955	212,155

†Operating loss. *Deficit.

Working Capital Position

	1933	1932	1931
	$	$	$
Curr. assets	68,642	110,756	82,367
Curr. liabs.	13,117	31,487	65,274
Work. cap.	55,525	79,269	17,093

Few Changes Noted

At the end of 1933 Hillcrest Collieries balance sheet showed assets totalling in value $2,590,980, compared with $2,633,215 in 1932. The bonded debt of the company remains unchanged at $325,000. The amount of preferred and common stock issued, as well as contingent reserve at $300,000, are the same as reported in 1932.

Current liabilities have been substantially reduced and now stand on the books at only $13,117, while the surplus accounts for the balance of $237,089, as against $260,955 a year ago.

In his report to shareholders the president, Sir Charles Gordon, had the following to say in part:

"During the year under review our tonnage sales dropped 30 per cent from the previous year, our operations being only about one-third of capacity.

Our business with the railways last year was not normal, due to their policy or reducing coal stocks to a minimum. This year we may expect tonnage covering their current consumption which we did not have last year"

Mansfield Theatre Had Loss

Mansfield Theatre Co. had a loss of $702 in 1933 as compared with a profit of $46,752 before depreciation in 1932, but working capital remained strong. As no preferred dividends were paid in 1933 surplus dropped only from $227,979 to $206,438.

DIVIDEND NOTICE

The Shawinigan Water & Power Company

Notice is hereby given that a dividend of twelve (12c) cents per share has been declared on the no par value common shares of the Company for the quarter ended March 31st, payable May 15th, to shareholders of record April 25th, 1934.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, April 18, 1934.

Canadian Hydro-Electric Corporation Limited

Notice of Dividend on 6% Cumulative First Preferred Stock

Ottawa, Canada,
April 24th, 1934.

The Board of Directors has declared a quarterly dividend of 1½% ($1.50 a share) on the shares of 6% Cumulative First Preferred Stock of the Corporation payable in cash June 1st, 1934, to holders of record of such stock at the close of business May 1st, 1934.

Cheques will be mailed. Stock transfer books will not close.

J. R. Binks,
Secretary.

The Guelph Carpet & Worsted Spinning Mills Limited

PREFERRED DIVIDEND NO. 20

Notice is hereby given that a Dividend of One and Five-eighths per cent. (1⅝%), being at the rate of Six and One-half per cent. (6½%) per annum, has been declared upon the outstanding 6½% Cumulative Convertible Preferred Shares of The Guelph Carpet & Worsted Spinning Mills, Limited, for the Three Months ended April 30th, 1934, payable May 1st, 1934, to Shareholders of record at the close of business April 20th, 1934.

By order of the Board.

B. F. GRIGGS,
Secretary-Treasurer

Guelph, Ont., April 24th, 1934.

NOTICE

NOTICE

To Canadian Policyholders of the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A.

On June 1, 1933, the Alliance Casualty Company, Philadelphia, Pennsylvania, U. S. A., reinsured, with the Indemnity Insurance Company of North America, Philadelphia, Pennsylvania, U. S. A., all of its unexpired policies, outstanding obligations and liabilities. On June 16, 1934, application will be made to the Minister of Finance for the release of its securities deposited and now held by the Receiver General and any Canadian Policyholders opposing such release should file their opposition with the Minister of Finance on or before that date.

ALLIANCE CASUALTY COMPANY,

FRANK A. EGER,
Secretary.

Position Wanted

Chartered Accountant, age 28, desires permanent position with opportunities for advancement in commercial or financial firm. Has knowledge of practically all types of accounts. Seven years experience in auditing and preparing balance sheets. References. Box 284, The Financial Post, Toronto.

Wheat

From Our Grain Correspondent

Off To Poor Start

WINNIPEG.—Although the seeding season has opened inauspiciously in both Western Canada and the spring wheat area of the United States, the market has ignored the situation which in other seasons would have been construed as bullish.

Dust storms of great severity have covered large areas of Saskatchewan, both impairing the condition of the soil and blowing out a good deal of seed, and farmers in some districts may have difficulty in obtaining sufficient grain for re-seeding purposes.

* * *

Grasshopper Menace

AT no time has the market seemed to attach much weight to the grasshopper menace, in spite of the great extent of infestation of land with eggs. This has no doubt been partly due to the fact that the Argentine last year was seriously threatened, but weather conditions proved to be favorable to the crop and adverse to the locusts, so that a harvest greater than the average was gathered. But the menace in Western Canada has been increased by weather so far, by limiting the chance of grain to get a good start before the eggs hatch out and the young hoppers start to feed.

The Dakotas have also suffered severely from dust storms, and lack of moisture in the ground there is beginning to be considered serious. Prospects for the winter wheat crop of the southwestern states have also been impaired by dry weather during recent weeks. For the immediate present, however, Liverpool is principally impressed by large current supplies, resulting from arrival of heavy shipments of Argentine wheat made some weeks ago.

* * *

Uncertainty About Rome

THE prospect of an increase in the wheat processing tax in the United States from thirty to forty cents a bushel is construed as a unfavorable influence at Chicago, and through sympathetic effect on prices elsewhere. Uncertainty as to attempts at international price control, as a result of the Rome Conference, appears to be causing hesitation in trading, and whatever bullish influence was exercised by the earlier anticipations of what might be attempted was soon exhausted.

TRAYMORE, LTD. LOSS IS LARGER MORE BONDS OUT

Bank Loan Paid By Directors Who Took Bonds in Payment

News to shareholders of Traymore, Ltd. that an operating loss of $26,820 before depreciation had been experienced in the worst year experienced by the restaurant business was somewhat alleviated by the further statement that business has been on the upgrade since the fall of the year. Whereas volume of sales and meal checks reached an all-time low during 1933, there has been since the fall of 1933 a steady and rapid improvement both in the number of customers served and the size of the average meal check. Sales are now running well in excess of the same period in 1933, and the directors state their opinion that a definite turn in business has now taken place and that an early return to normal business and good profits is confidently expected.

Will Sell Beer

No reference is made in the directors report, signed by the managing director, H. J. Lynes, to the expectation of many shareholders that the company will be one of those to sell beer and wine under authorization of the new law passed by the Ontario Legislature. The company has been already doing this in Montreal in the Krausmann's Lorraine café, and it is expected that the Savarin restaurant on Bay St., Toronto, will also sell such beverages both at noon and at its two floor shows every night, which are reported growing in popularity.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1933	1932
	$	$
Net earnings	*26,820	1,487
Less: Depreciation	20,000	40,000
Net profit	*46,820	*38,513
Add: Previous surplus	34,973	79,209
Trans. from res.	20,000	......
Less: Adjustments	384	†5,723
Balance car. forward	7,769	34,973

* Loss.
† Building improvements, branch No. 4, written off.

Working Capital

	1933	1932
	$	$
Current assets	41,431	50,726
Current liabilities	100,466	83,639
Working capital	*59,035	*32,913
Ratio	0.41—1	0.60—1

* Excess of current liabilities over current assets.

Though the company's working capital deficiency at the end of 1933 was greater than it had been a year earlier, there were two alterations of moment to its shareholders in its balance sheet:

1st, two directors, Gordon G. Plaxton, president, and E. A. Cousins, Montreal, director, paid the bank loan of $20,000, which had been secured by $200,000 Series B bonds, taking a large block of bonds at a low price as security and engaging to sell these bonds back to the company at cost:

2nd, the company wrote down leaseholds, licenses and goodwill by $503,836 and made a corresponding reduction in balance sheet valuation of common stock from $634,441 to $130,605, making the net, tangible non-current equity of the outstanding 96,064 no par value common shares 55 cents a share.

Will Buy Back Bonds

As a result of the first change bonded indebtedness increased from $141,800 at the end of 1932 to $244,621 for 7 per cent Series A and B bonds. As it was reported that the company had redeemed outstanding bonds to the extent of $5,000, it is probable that the increase was made up entirely of Series B bonds. In other words, the directors may have taken over nearly $100,000 in bonds for paying the $20,000 banking indebtedness. This was half what the banks had had as collateral for the loan, but the directors will probably get the regular rate of interest on the par value of the bonds and sell back to the company as soon as it is able to purchase them.

Grain and Milling in Canada

QUOTA PROBLEM FOR ARGENTINE STILL UNSETTLED

Canada Directly Concerned With Eventual Outcome

From Our Own Correspondent

WINNIPEG.—The question is still puzzling markets as to whether or not Argentine shipments this year are to be restricted to keep within the quota planned under the London wheat agreement.

The latest proposals emanating from Rome were to the effect that Australia, the United States and Canada should agree to restrict their exports this year to allow the Argentine a larger quota. Only to Canada would that be a matter of significance, as neither Australia nor the United States seem likely this year to fill their quotas, even without a supplementary agreement.

Offer Has Strings

But the offer made to the Argentine seems to have been made contingent on that country accepting a smaller quota in 1934-35, upon undertaking to reduce acreage, and also upon the acceptance of the fixed price plan of the Rome conference, which as yet it is by no means clear that other countries, including Canada and the United States, are going to accept.

The question of Argentine wheat means more to Canada than the 8,000,000 bushels reduction from her official quota which this country is asked to accept, along with 12,000,000 from the United States, and 10,000,000 bushels from Australia. If the Argentine shortly begins to restrict her shipments in order to keep within the quota it seems likely that most of the benefit would accrue to Canada, If, however, she should attempt to enlarge her shipments to the full extent of 30,000,000 bushels, it might cut down Canadian exports by more than 8,000,000 bushels.

DEMAND FOR WHEAT NOW BELOW QUOTA

European Prospects Below Last Year — Outlook Viewed

World trade in wheat continues on a small scale, according to the April Review of the Dominion Bureau of Statistics. From August 1, 1933, to April 16, 1934, world shipments of wheat and flour amounted to 378 million bushels as compared with shipments of 456 million bushels during the corresponding period in the previous cereal year.

The London Wheat Conference estimated world import demand at 560 million bushels. On this basis a balance of 182 million bushels remains to be shipped during the remaining 15 weeks of the crop year. It would appear that a noticeable improvement in demand must take place if importing countries are to require 560 million bushels during 1933-34.

European Outlook Less Favorable

As far as the situation is known, the present condition of European winter wheat crops is not as favorable as a year ago. Some reduction in winter wheat acreage in Europe indicated by current estimates. In regard to European prospects, the International Institute of Agriculture states that with rare exceptions the situation of the crops is so far generally less satisfactory than last year at the same date, and for the coming crop to be as large as that of 1933, the course at the season must be exceptionally favorable from now until the harvest.

During the past four years, production of wheat in Europe has increased steadily reaching a record level in 1933. As a result of this development, European imports have declined steadily. In 1930-31 shipments of wheat to Europe amounted to slightly over 600 million bushels while in the present crop year Europe will import slightly less than 400 million bushels. This situation has been due in part to exceptionally high yields in Europe resulting from a series of favorable growing seasons.

The surplus of wheat available for export or carryover in the four major exporting countries is considerably smaller than a year ago. Stocks in the United States are over 100 million bushels lower than at the same time last year and in Canada 36 million lower. As a result of a short crop harvested last December, the Australian surplus is somewhat lower than a year ago. The Argentine probably holds a slightly larger surplus at the present time than during the same month last year.

The seeding of the spring wheat crops in the northwestern States and in the Prairie Provinces will soon be general. Early season conditions are not favorable over wide areas owing to accumulated effects of drought and a serious grass hopper infestation. Generous spring rain will be required in the southern areas of the Prairie Provinces at an early date.

Entry of U. S. A. Wheat May Upset Our Plans

Lowering of Artificial Price Level May Prevent Canadian Attempts to Stabilize Price

From Our Own Correspondent

WINNIPEG.—During the past year it has been possible very largely to ignore developments in the United States in considering the course of world wheat markets, but a change is coming over the situation which may again make conditions in the United States of primary importance in world markets.

The decline in prices in Canada and in Liverpool which took place last week, while small in comparison with the precipitate fall in prices on the Chicago market, must nevertheless be considered as directly resulting from the latter. Chicago prices are still well above world levels, but not so far above as to make it unreasonable to expect that commercial exports of wheat, particularly from Gulf and Pacific Coast ports, may soon be practicable. And European markets are keeping that possibility in mind.

Surplus Decreasing

It is just about a year since the affairs of the United States Farm Board were wound up, and Government stabilization operations ceased to have an effect on the market. During that time internal forces in the United States have been sufficient to support a level of wheat prices which prevented commercial exports, and this in spite of the fact that the United States had a considerable surplus of wheat. But as the surplus has been gradually decreasing during the year, farmers declined to sell their wheat except at prices well above world levels, while the market developed sufficient speculative interest to sustain comparatively high levels for wheat that had been delivered and was carried in warehouses.

Now, however, the United States seems to be losing faith in its ability to sustain a wheat price level of its own during another year. Although the crop in prospect is likely to be much less than average, it may still be above the requirements of the country for a single year, so there may be a crop year ahead in which the burden on the market will be gradually increased, instead of decreased.

The failure of the Government's tremendous plans to effect a substantial acreage reduction through payments to farmers has become manifest A decline in speculative interest in the market has been accelerated by new plans for market regulation and control. And the Government of the country, instead of proclaiming independence of foreign trade, has announced, through Mr. Wallace, Secretary of Agriculture, the opinion that United States and world wheat prices must come into line.

A year ago, no matter what opinion in the United States might be, it was possible to express the opinion that other countries, with a greater urge to sell wheat, were bound to undersell the United States on world markets. Unless that country produces a smaller crop than now seems likely in 1934 that may no longer be a valid assumption.

May Upset Canada's Plans

The importance of the change will lie in more than certain additional quantities of wheat demanding a share in world markets. Stabilization operations such as have been conducted by the Dominion Government through the instrumentality of John I. McFarland would lose their effectiveness, and might have to be discontinued.

Technical difficulties also loom up in the way of carrying out proposals for fixed international prices such as currently under discussion as a result of the Rome conference. The United States is quite without machinery for carrying out some of the proposals made there, should hard red winter wheat from Kansas once again become a commodity of international trade.

In the long run it may prove that bringing down United States wheat prices to world levels is the only thing that will accomplish a large scale reduction of acreage in that country. The plan actually tried, of paying bonuses to farmers who signed contracts to reduce acreage appears to have the reverse of the effect intended, for farmers used the bonus money to finance production which otherwise might have been impossible.

ANGLIN-NORCROSS NEW WORK LESS DURING PAST YEAR

Satisfactory Profits Shown in Statement — Secure Big Contract

From Our Own Correspondent

MONTREAL.—Consolidated earnings of Anglin-Norcross Corp., building contractors, were on a lower basis in the fiscal year ended February 28, 1934, than was the case in the sixteen months ended February 28, 1933.

The past year was a difficult one for the company from the point of view of the contracts acquired. As contracts of previous years were completed during this period, the company's general expenses were drastically reduced and as revenue from investments was well maintained, the balance carried to profit and loss account compares satisfactorily with that reported in the previous year.

Add to Surplus

Particulars of the profit and loss account follow:

	12 mos. Feb. 28, 1934	16 mos. Feb. 28, 1933
	$	$
Operating profit	56,711	215,934
Misc. income	44,410	61,559
Total income	101,121	277,493
Less: Income tax	15,500	42,000
Deprec., invest.	......	77,325
Net profit	85,621	158,168
Trans. to gen. res.	......	118,662
Surplus	85,621	39,506
Previous surplus	39,506	......
Carried forward	125,127	39,506

Only Minor Changes

No material changes are noted in the consolidated balance sheet. Assets at February 28, 1934, totalled $1,352,380 compared with $1,404,894 on the same date last year. No change has taken place in the capital structure, while reserves have been increased to the extent of about $33,000 at $401,453. Current liabilities have been reduced by more than half and now stand on the books at $136,927.

Secure New Contract

In his report to the shareholders, Henry J. Gross, president, stated that the volume of business carried forward into the current year was much less than usual, the principal contract being a rock tunnel sewer for the city of Montreal. Since publication of the report, it has been announced that the company has been awarded the $1,500,000 contract for erection of the 18-story Ontario Hydro-Electric Power Commission building in Toronto.

World Wheat Shipments Higher in Recent Weeks

World shipments of wheat flour for the week ended April 16, amounted to 10,714,000 bushels as compared with shipments of 8,119,000 bushels for the previous week and 9,424,000 for the corresponding week in 1932-33. Shipments from North America and Australia increased slightly and from the Argentina an increase of 1,888,000 bushels.

Shipments of wheat have averaged 10.2 million bushels per week during the thirty-seven weeks of the crop year as compared with 12.3 and 15.3 per week during the corresponding period in 1932-33 and 1931-32 for world countries. North American shipments have averaged 4.3 million bushels per week compared with 6.0 million during the first thirty-seven weeks of 1932-33. Argentine shipments have averaged 2.5 million.

Winnipeg Grain Prices

Week to April 24, 1934

Crop year from Aug. 1, 1933 High	Low		Open Apr. 18	High for week	Low for week	Close Apr. 24
		Wheat				
.95	.59¼	May	.65¼	.65⅝	.63⅝	.64⅝
.71½	.62¼	July	.66	.66⅝	.64⅝	.65½
.71¼	.66⅜	Oct.	.67⅞	.68¼	.66⅝	.67¼
		Oats				
.48½	.29½	May	.31⅜	.33	.30⅜	.31⅞
.38⅝	.30⅞	July	.32½	.33⅞	.31⅛	.33⅛
.36¼	.32½	Oct.	.33½	.34¾	.32½	.34¼
		Barley				
.59¾	.32½	May	.35⅝	.36½	.35¼	.35⅝
.44⅝	.35	July	.36¾	.37⅝	.35⅜	.37
.43⅛	.37¼	Oct.	.38⅜	.39⅜	.37¼	.39
		Flax				
1.17½	1.15	May	1.48¼	1.48¼	1.43¼	1.45
1.58	1.39½	July	1.48	1.48¾	1.44½	1.45¾
1.55	1.40	Oct.	1.44	1.45	1.40	1.41½
		Rye				
.68½	.39⅛	May	.42¼	.43¼	.40½	.41⅛
.53¼	.41¾	July	.43⅞	.44½	.41¾	.42⅝
.52⅛	.43½	Oct.	.46⅜	.46½	.43½	.44

Key Facts About Wheat

	Total (bu.)	Previous Week (bu.)	Same Week Year Ago (bu.)
Canadian Wheat in Store			
Fort William (April 20)	73,876,060	73,034,332	72,778,436
Country Elevators (April 13)	102,479,346	103,922,500	106,808,636
Total, all points (April 20)	216,739,775	219,889,202	220,371,631
World Shipments (incl. flour, weeks ended:)			
North American (April 21)	3,449,000	4,151,000	2,842,000
Argentine (April 13)	2,204,000	4,292,000	3,142,000
Black Sea (April 17)*	1,096,000	496,000	......
Australian (April 13)	1,415,000	1,323,000	2,709,000
Total (April 21)	8,151,000	10,714,000	10,819,000
Visible Stocks			
Canadian (April 14)	108,145,000	109,078,000	108,846,000
United States (April 14)	87,690,000	88,859,000	130,312,000
Argentine (April 6)	19,840,000	18,370,000	13,594,000
Australian (April 13)	91,000,000	92,480,000	70,248,000
Canadian Marketings and Exports†			
Canadian Exports (April 20)	1,497,598	2,226,498	2,444,855
Cumulative to April 20 (38 weeks)	114,292,713	112,765,115	170,827,579
Prairie Marketings D.B.S. (April 13)	1,783,824	2,173,112	2,042,994
Cumulative to April 13 (37 weeks)	192,390,240	190,656,416	324,191,732
Country Deliveries, April 20‡	2,321,000	1,934,000	2,076,000
Country Loadings, April 20‡	5,412,606	3,500,332	2,506,065

*Includes South Russia. †Excluding flour. ‡Sanford Evans Weekly Report.

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We Own and Operate 130 Country Elevators in
MANITOBA - SASKATCHEWAN - ALBERTA
Licensed Country Grain Warehousemen
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Operators of Country Elevators in Manitoba
and Saskatchewan and Terminal Elevators at
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The ALBERTA PACIFIC GRAIN COMPANY Ltd.
LICENSED AND BONDED WITH THE BOARD OF GRAIN COMMISSIONERS

Report Profits for Employers' of $1,255,585

Employers' Liability Assurance Corp. had total income of $32,543,732 in the year ended Dec. 31, 1933. Premiums received were lower than in 1932 by £100,000, considered a small decline, while profits in all departments amounted to $1,255,585. Net surplus increased $750,000 to $13,908,421, and total assets at the end of the year were $49,844,441.

In general casualty lines, the company had premium income of $773,789, and a loss ratio of 42 per cent, and automobile premium income was $421,528, with a loss ratio of 45.38 per cent. Loss ratio in the fire section was only 38.33 per cent, all these ratios being better than the average of all companies underwriting each type of risk.

The Corporation's Canadian assets at the year end amounted to $3,354,115, of which $2,760,751 was in securities deposited at Ottawa, against liabilities in Canada of $2,026,380.

Wheat Exports Smaller But Prices Better

Exports of wheat in March to the United Kingdom amounted to 7,353,723 bushels valued at $5,070,618 as compared with 8,202,308 bushels at $4,208,774 in March, 1933. During the eight months ended March the export of wheat to the United Kingdom has dropped considerably. Prices recently have been better with the result that the export of 77,058,405 bushels was valued at $52,349,355 while the 120,732,292 bushels exported in the corresponding period of last year brought only $62,373,285.

Flour exports to the United Kingdom in March totalled 248,217 barrels at $821,236 compared with 196,865 at $609,897 in March, 1933. During the eight months ended March the export was 1,771,616 barrels at $6,162,928 compared with 1,592,430 at $5,020,401 last year.

The Employers' Liability Assurance Corporation LIMITED

EXTRACTS FROM THE REPORT FOR THE YEAR 1933

REVENUE ACCOUNT

Premiums (Fire, Accident and General) Net	$31,208,502
Interest and Rents	1,335,230
	$32,543,732

BALANCE SHEET, 31st DECEMBER, 1933

ASSETS

Government, Provincial and Municipal Securities	$14,421,535
Railway Stocks and Debentures	18,376,502
House Property—Corporation's Offices, less depreciation	5,761,907
Branch and Agency Balances	6,493,392
Shares of Companies controlled	3,055,097
Amounts due from subsidiaries and other companies	403,774
Interest and Rents Accrued	394,710
Cash in hand and on deposit	937,524
	$49,844,441

LIABILITIES

Capital paid-up	$ 1,923,863
Insurance Funds	11,607,791
Reserve for outstanding losses, estimated	14,959,090
Amount due to subsidiaries and to other companies and Agents	1,082,527
Outstanding Commission and Expenses	1,208,021
Unclaimed Dividends	2,192
Deposits at Interest	38,338
Loan Account	100,000
Provision for Final Dividend, 1933	721,448
Outstanding Taxes	2,191,485
Reserve in respect of Merchants Marine Insurance Co. Ltd.	2,000,000
Balance of Appropriation Account	101,265
	$35,936,020
Net Surplus	13,908,421
TOTAL	$49,844,441

($5 taken as equivalent to £1 sterling).

JOHN JENKINS
General Manager for Canada and Newfoundland
Insurance Exchange, Montreal
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CITES CLAIMS BANK LENDERS IN LAND SALES

Bondholders and Bankers Conflict on Municipal Tax Liens

ONTARIO LAWS

Open Secret That Bondholders Had Section 18 Removed and That Bankers Proposed It

The whole question of priority and security of creditors in municipal defaults in Ontario has been raised by the recent revision of the Ontario Municipal Board Act.

One proposed section (18) in the amending bill was removed entirely. It provided that proceeds from sale of lands vested in municipalities by the "registration" process for defaulted taxes should be applied in the following order.

1. For expenses of sale.
2. On liens subsisting upon any arrears of taxes on the properties, meaning chiefly bank loans.
3. In payment of county rates.
4. On debts of the municipality, including debenture debt.
5. For general municipal purposes.

It is now an open secret that bank leaders were instrumental in having this section placed in the amending bill, and that bondholder interests were successful in having it removed before enactment of the legislation. The result is that the question as to whether the banks have a priority is still open, at least to the extent that comes within the discretion of supervisors. Their recommendations are, in turn, subject to revision by the Ontario Municipal Board.

Banker Presents Views

B. E. Howard, supervisor of the Imperial Bank at Toronto, has pointed out to The Financial Post that an error in a recent article describing this legislation might suggest that bank lenders have no lien on taxes and had sought to establish one by the amendment. This, of course is not correct. Banks can, and do, have liens on taxes under the Ontario Municipal Act.

On the matter of liens, Mr. Howard, in a letter to The Financial Post, comments:

"As your article suggests, 'registration' in certain defaulting municipalities has been carried on in a wholesale way and lenders find that the revenues charged with payment of their loans have been cancelled and in place of revenues municipalities own property. The situation became acute when boards of supervisors in charge of defaulting municipalities argued that the process of registration wiped out the lenders' liens whereas the lenders would naturally claim that no act of the debtor could destroy the lenders' security. I do not think there is any mystery about how Section 18 (the abandoned clauses) got into the Act, but on the other hand there is considerable mystery why it was taken out. Your statement that Section 18 would 'establish for them a preference which they never had' is certainly assuming a great deal. The question is surely not settled despite the fact that the Legislature in its wisdom finally passed Bill 126 without this clarifying section. So far as the writer can see it simply means that this question is still in dispute.

Earmarking Tax Levies

"Probably it was not your purpose to define the arguments on either side but you do state that 'debenture holders claim taxes are levied for debenture purposes and are earmarked for such purposes. Sir, there is usually one situation only in which levies are made for debenture purposes and that is local improvement. Even so it has not been decided that this part of the tax bill is 'earmarked' and it has not been the custom for any municipality to keep such funds separate, nor 'does the Municipal Act call for such accounting. However, this question rather washes out when you take a concrete example of a municipality in default. Up to the time of default the bondholders have been paid whether or not the property owner had met his taxes, and after the bondholder has been paid what right can he have against the arrears of taxes? Following along further, if the properties are seized for arrears of taxes what rights can he have against the properties?"

"Registration" Proceedings

"Registration" is a short form of tax sale proceedings. When effectually applied, these proceedings wipe out all interest in property and vest a clean title in the municipal corporation, it is understood.

By this means, a lien on taxes has been made just that, and is prevented from becoming a charge on the land taxed. Mortgages, liens of mechanics, or banks, or other charges, are wiped off the register by tax sale proceedings, The Financial Post is informed. When no buyers appear to bid in the taxed land, it is taken to indicate that mortgagees, bank lenders, bondholders and other interested parties do not consider the land worth the taxes against it.

Nevertheless, tax sales, or "registration," do not wipe out the covenant of the municipal corporation to pay. What a bank lender has left, in the case of its liens of taxes on land "registered," is a claim against the corporation, authorities inform The Financial Post. In this respect it is on the same footing as other mortgagee of a specific property, however, would be wiped out entirely by "registration" because there is no covenant by the municipality. By "registration" of taxed property, therefore, the bank lender apparently loses its specific lien but still holds its claim against the municipality, and in this respect is in the same position as the bondholder. Neither has a claim on the land, but on the municipality as a whole, as the law is now interpreted.

Bondholders' Liens

There appears to be a difference of opinion as to what lien bondholders have on taxes. Mr. Howard states that the Ontario Municipal Act does not call for an accounting, or earmarking of taxes levied for debenture purposes. Bondholders aver, however, that present statutes require municipalities to levy and keep in a separate account funds for service of every money by-law. Diversion of the proceeds of such levies to any other purpose is an offense against the parties responsible, it is said. Proceeds of such levies can only be liened to a bank when the municipality has paid the debenture charges in full, it is understood. In such case, the bank can take an effective lien on the unpaid levy, but its lien, strictly limited to the levy, is not upon the land. The objection taken by bondholders to the section in question is that it would have given banks a charge on land.

Mr. Howard adds:

"There is just one thing more, Mr. Editor. You suggest that the adoption of Section 18 would have seriously affected long-term credit of Ontario Municipalities. I suggest to you that long-term credit is not seriously affected by interpretations of the law, which after all refer to only a few defaulting municipalities which have no credit. Rather I suggest that long-term credit depends on the fact that municipalities can borrow the money which their taxpayers are owing and, with borrowed money, meet their debenture payments on time."

B. C. Plans Extension Of Minimum Wage

Extension of the minimum wage in the many branches of industry, plus regulation of hours, is planned by the Board of Industrial Relations of British Columbia. The first line of attack is wage schedules in the shingle, box, sash and door factories to be followed by the fruit and vegetable industry. Adam Bell, chairman of the board, reports that barbers and taxi drivers are also anxious that their wages be regulated and these groups too will be given consideration.

Already the board has tackled the question of minimum wages in the logging and saw mill industry.

ALCOHOL'S PLAN MEETS APPROVAL OF SHAREHOLDERS

Lord Shaughnessy Reports Advance in Earning Power

From Our Own Correspondent

MONTREAL — Shareholders of Canadian Industrial Alcohol Co. have approved a plan providing for an alteration in the capital structure of the company to permit return to shareholders of capital not required in ordinary operation of the business.

This is in line with the details announced in the last annual statement, whereby the present outstanding stock is divided into one-half redeemable shares and one half of the same class of stock as that now held. The redeemable shares are to be non-voting, purchasable in the open market or callable at $24 a share and entitled to receive up to but not exceeding $1.50 per share per annum non-cumulative dividends.

Of considerable interest to the shareholders was the statement of the president, Lord Shaughnessy, in reference to the company's financial position in the results of the first six months of the fiscal year. In the period October 1, 1933, to March 31, 1934, the company had a surplus from operations of $514,089, against a deficit in the corresponding period a year ago of $92,282. In addition current liabilities have been reduced by fully $1,144,742 from the $2,661,542 figure at which they stood a year ago. Moreover there are short-term accounts receivable of some $500,000 applicable to further reduction of current liabilities.

Comments on Market

In enlarging upon the returns for the past six months, Lord Shaughnessy further said:

"In addition to the above reduction there are additional accounts receivable due over a period of thirty, sixty and ninety days of some $500,000 from the sale of Canadian whiskies, American type whiskies and agency goods sold to American companies and American states liquor commissions, and when collected will, of course, apply in further reduction of the above-mentioned liabilities.

"In reviewing the above figures it must be kept in mind that of the past six months period practically only three months have received any advantage of the opening up of the American market, and in common with both Canadian and American distillers it takes considerable time to get organized and obtain an even flow of distribution of merchandise, and naturally as this development proceeds certain unforeseen obstacles arise and can only be dealt with as they do arise, but as the whole distribution in the United States gets thoroughly organized then there will be a quicker and freer movement of merchandise.

May Lower Duty

"There is the further possible future advantage in the probability that the American customs tax may be lowered. There is at present a customs tax of $5 per American proof gallon on whiskies taken into the United States, which tax does not, of course, apply to goods manufactured in the United States, and, therefore, increases the cost to the consumer of American whiskies manufactured in Canada. It is the opinion of the trade that the Federal Alcohol Control Administration is in favor of a reduction in the customs tax, and it is believed will pass on their recommendation to the Treasury Department, and that when the Tariff Bill passes Congress the President of the United States will authorize a reduction in this tax, possibly to half the present amount. While the tariff question is a general topic, the rectifiers are naturally temporarily holding back awaiting decision in this matter, and as soon as the amount of the tariff has been confirmed it is anticipated that there will be a considerable increase in the sale of whiskies manufactured in Canada."

Business Briefs

Creamery Butter production in March amounted to 9,879,093 pounds compared with 7,494,344 in the preceding month and 9,389,542 in March of last year. New Brunswick's production showed an increase over March last year of 59.1 p.c., Nova Scotia 14.3, British Columbia 12.5, Manitoba 8.8, Quebec 6.4, Ontario 4.7, Alberta 3.4. Production in Prince Edward Island recorded a decrease of 1.4 p.c. and Saskatchewan 2.5 p.c. Cumulative production for the first three months of this year was 25,943,274 pounds compared with 25,160,242 pounds produced in the same period last year.

Natural Gas production in Canada during February totalled 2,697,423,000 cubic feet as compared with 2,961,453,000 cubic feet in the preceeding month and 2,826,995,000 in February, 1933.

COMMERCIAL FRUIT VOLUME INCREASES BY 20 PER CENT

Ontario Banner Province in 1933—Average Prices Much Improved

A 20 per cent increase in the value of commercial fruit production in Canada in 1933 is indicated by a preliminary estimate issued last week by the Dominion Bureau of Statistics. The value of commercial fruit in 1933 is placed at just over the $15,000,000 mark as compared with slightly less than $12,000,000 the previous year.

Over 60 per cent of the 1933 total comes from apple production, the 1933 figure being $9,400,000 as compared with $7,000,000 a year ago. Average price per barrel in 1933 was slightly better than $2, compared with $1.87 in 1932. Prices for all other commercial fruits were also slightly higher as compared with a year ago. This increase in prices was in practically every instance sufficient to offset declines in quantity as compared with 1932. Apples and pears were the only fruit to be produced and sold commercially in higher volume than in the previous year.

Comparative Figures

Comparative figures for individual fruits with total value of production in the nine provinces is shown in the following table:

Production and Shipping Point Value of Fruits, 1933 & 1932

	Total Quantity	Average Value	Total Value
		$	$
Apples:	Brls.		
1932	3,737,960	1.87	7,007,900
1933	4,641,000	2,02	9,390,700
Pears:	Bush.		
1932	374,500	0.80	298,000
1933	434,015	1.09	473,300
Plums & Pears:			
1932	243,000	0.93	226,800
1933	230,280	1.12	258,400
Peaches:			
1932	812,500	1.12	907,000
1933	795,100	1.38	1,100,300
Apricots:			
1932	56,000	2.38	133,000
1933	26,000	2.54	66,000
Cherries:			
1932	258,500	1.94	500,500
1933	227,250	2.16	491,600
Strawberries:	Qts.		
1932	24,533,000	0.06	1,440,700
1933	20,901,000	0.09	1,854,200
Raspberries:			
1932	9,,128,900	0.09	780,700
1933	6,760,900	0.11	738,100
Grapes:	Lb.		
1932	49,694,000	0.014	695,300
1933	42,445,000	0.015	652,300

Value of Fruit Production by Provinces

	1933	1932
	$	$
Nova Scotia	2,894,000	1,689,000
New Brunswick	171,800	165,400
Quebec	1,398,600	1,198,000
Ontario	5,354,500	3,957,500
British Columbia ...	5,206,000	4,980,000
Total	15,024,900	11,989,900

In this connection, figures published recently in an Empire Marketing Board survey of fruit production show Canada to be the second largest exporter of apples in the world. The United States is the world's largest exporter. It actually exports more apples on the whole than the rest of the world, with Canada ranking second and Australia third. The United Kingdom takes the bulk of the apples exported from each of the three exporting Dominions — Canada, Australia and New Zealand—and normally more than half the export from the United States.

One interesting feature of this report is the revelation that Canada is one of the leading importers of citrus fruits in the world. Thus, for the period 1926 to 1930 inclusive we ranked as the third largest importer in the world of grapes and pears; fourth largest importer of oranges and dried grapes; fifth largest importer of lemons and sixth largest importer of bananas.

BOARD CHANGE RATE ON PAPER TRAFFIC

Newsprint Freight Rate Revised in Canada and U. S.

From Our Own Correspondent

MONTREAL.—Consequent upon a protest made by shippers of newsprint in 1929 to the Board of Railway Commissioners in Canada and the Interstate Commerce Commission in the United States in regard to rates charged for newsprint from Canadian mills to U. S. publishers, the Commission handed down a decision which dove-tails with that of the I. C. C.

The new rate provides for increases and decreases from those at present in force. An effort has been made to have the rates more properly related to the distances hauled, but at the same time preserving the present rate and relationship between the different points in Canada.

The judgment fixed the rate from Grand'Mere group of mills to Chicago at 42 cents per 100 pounds, and to other points in the central freight territory at corresponding rates. The Grand'Mere group of mills includes Bromptonville, Que., Buckingham Junction, Que., Cap de la Madeleine, Que., Donnacona, Que., East Angus, Que., Espanola, Ont., Gatineau, Que., Grand'Mere, Que. Hull West, Que., Iroquois Falls, Ont., Kapuskasing, Ont., Ottawa, Quebec, Shawinigan Falls, Que., Sturgeon Falls, Ont., Trois Rivieres, Que., Windsor Mills, Ont.

From other Eastern Canadian points the rates will be made by addition of the following arbitraries to the rates applicable from the Grand'Mere group: St. Raymond, Que., two cents; Beaupre, Que., 2½ cents; La Malbaie, Que., four cents; Dolbeau, Que., Jonquiere, Que., Port Alfred, Que., and River Bend, Que., five cents; Bathurst, N.B., and Dalhousie, N.B., six cents.

The judgment also provided rates based on average mileage from the Canadian points to trunk line and New England territories. These rates range from 19 cents per 100 pounds for not over 160 miles up to 45 cents per 100 pounds when not over 1,000 miles. From Thorold, Ont., to Buffalo and Niagara Falls, the rates of sixth-class freight will apply.

From Western Canadian mills to all territories in the United States through rates will apply on the basis of the present differential added to the rates contemporaneously in effect from International Falls, Minn.

From Eastern Canadian mills to southern territory the proposed cancellation of joint through rates is disallowed.

Gasoline Sales Off Sharply For Most Areas in January

Gasoline sales statistics for January are not yet available for Nova Scotia, Quebec, Saskatchewan and British Columbia. Prince Edward Island sales of gasoline in January were reported at 21,000 gallons as compared with 84,000 a year ago. In New Brunswick 208,000 gallons were sold; in January, 1933, sales totalled 503,000. Ontario's total in January was 13,564,000; a year ago 15,830,000 were sold.

Sales in Manitoba were recorded at 990,000 gallons or 15.0 per cent above the January 1933 total of 861,000. Alberta's records showed sales of 1,761,000 gallons in January; a year ago 1,887,000 gallons were sold.

New Books

BIG BUSINESS SEEN TO DOMINATE U. S. A. ACTIVITY

Study of American Wealth Contains Important Material

Eager parliamentarians at Ottawa are busy probing the effect of mass buying on our national economy. They seek to learn to what extent "big business" dominates the Canadian picture and what the effect is on producers and consumers. If Canada knew as much about her wealth and its distribution as Robert R. Doane has uncovered in his new book "Measurement of American Wealth" the work of this committee would be undoubtedly much easier and its conclusions might be considerably more valuable.

Mr. Doane is a statistician and economist who has made a particular study of data relating to American wealth and income. Recently, as co-author with Dr. Virgil Jordan, he prepared a comprehensive study entitled, "The American Consumer Market," which was published by the McGraw Hill Publishing Co. In his new book he submits what is probably the most comprehensive statement of the assets and liabilities, revenues and expenditures of the American people from 1860 to 1933, that has ever been attempted. Not only is it of value as a factual study of the United States but also as a source book for students of this subject in any country.

Big Corporations Dominate

Most of the facts are of primary interest to American rather than Canadian readers although some of his conclusions are of equal interest to both. The startling extent to which big business is gaining an increasing share of power is indicated by his analysis which shows that in 1928, 2.2 per cent of the total number of corporations, made no less than 78 per cent of the total corporation expenditure in that year. In the same year, 6 per cent of the total number of corporations did 90 per cent of the total volume of all corporate business.

Another item of interest to Canadian taxpayers is that while total expenditures of all major groups in the United States declined roughly 50 per cent between 1929 and 1932, expenditures of governments dropped only 12 per cent. Again, as indicative of the growth of savings, wealth and income, in the United States, he shows that in the past two decades, both savings and wealth have increased at an average annual rate of approximately 7.5 per cent, while income has advanced at a much lower rate, namely, 5.6 per cent.

The average earnings of corporations make another interesting study and his investigations point to the fact that the best guide to the true earning rate of business is the percentage of net income to gross sales. This earning power factor he finds to be practically constant under a stable price level, although the actual figure has dropped from 10.5 per cent to 4.7 per cent in 1932 with the fall in prices. Under a comparatively stable price level from 1922 to 1929 fluctuations in corporate earnings on this basis are shown to be almost negligible—a rather startling conclusion.

"Measurement of American Wealth" is published by Harper & Bros. Price $4.

"Advertising Allowances"

"The Economics of Free Deals"

Two recent books, published by the Institute of Economics Branch of the Brookings Institution of Washington, are of exceptional value to Canadian business men at the present time now that competitive practices in business are under investigation by the mass buying enquiry at Ottawa.

One of these deals in very comprehensive fashion with the problem of "advertising allowances." An effort is made to disclose the actual practices in connection with advertising allowances, particularly of manufacturers to chain grocery stores, and to analyze the effect of these practices upon business. The general conclusion is that advertising allowances should not be secret and that they should be regarded as unethical except when given as payments for specific promotion performances which are capable of being audited.

Another recent Brookings Institution book deals with "The economics of free deals." After giving consideration to practically all forms of premium, free deal and combination deal merchandising the volume offers specific suggestions for code making under the N. R. A. These suggestions, of course, would be fully applicable to code making under the voluntary regulation of business in Canada.

"Advertising Allowances" published by the Brookings Institution, Washington, sells at $1 and "The Economics of Free Deals" at $1.50.

QUEBEC CENTRAL MAKES HEADWAY

Results Over Past Twelve Months on Better Scale

From Our Own Correspondent

MONTREAL.—Operating returns of the Quebec Central Railway Co., controlled by the Canadian Pacific Railway, showed a considerable improvement in 1933 over the previous twelve months, the principal increase in the traffic consisting of mines and forest products.

The financial statement of the company has not been made public, but in an official anouncement it is said that earnings of the road from January 1 of the current year also show increases as compared with the corresponding period of last year, and the prospects for the future were recorded as encouraging.

Bus Service Report

Quebec Central Transportation Company, a highway subsidiary of the railway, during the last season operated motor coaches between Sherbrooke and Newport, Vt., and Levis and St. George, which will be resumed during the coming summer season, and it is the intention to extend operations also by a service between Sherbrooke and Thetford Mines.

The board of directors for the railway is as follows: Grant Hall, Montreal; J. H. Walsh, Sherbrooke; E. E. Lloyd, Montreal; W. H. Curle, K.C., Montreal; Chas. D. Brassey, London, England, and Thos. Lindley, London, England.

The officers of the road are: Grant Hall, president; J. H. Walsh, vice-president; H. C. Oswald, secretary and G. D. Wadsworth, general manager.

NEWFOUNDLAND HAS RECORD COD EXPORT

First Quarter Shipments Highest Since 1927

Cod fish shipments from St. John's and outports during March totalled 51,182 quintals as compared with 49,861 quintals in the same month a year ago, according to customs records compiled by P. F. Collins. Shipments in the first three months in 1934 totalled 281,738 quintals as compared with 280,032 quintals in the same period a year ago. This is the largest record of shipments since 1927 when 309,000 quintals were exported.

In the eight months of the current season which have elapsed, total shipments will amount to 949,793 quintals as compared with 983,960

The most important export gains by countries were made shipments to Spain, Portugal and the British West Indies. Shipments to Jamaica and Porto Rico were slightly lower for the first three months of the year. Comparative figures for exports of cod fish and other fish exports for the first three months of the year follow:

Shipments from St. John's & Outports (Jan. 1 to Mar. 31)

	1933	1934
Codfish (qtls.)	280,032	281,738
Cod oil (gals.)	132,671	80,000
Cod liver oil (gals.) ...	2,747	20,523
Seal oil (gals.)	69,467	27,116
Herring (brls.)	9,081	4,565
Salmon (tcs.)	675	112

Newfoundland Fears Adverse Codfish Quota

Fear that Spain will impose an adverse quota on imports of Newfoundland salt codfish was voiced recently at a meeting of the Salt Codfish Exportation Board at St. Johns.

Information had been received that Spain is about to apply quotas to imports of salt codfish with the probability that France, under the proposed system, would be allowed 15 per cent instead of less than one per cent which was her proportion of the entire Spanish imports for the preceding year.

In the last year for which information is available, Spain imported just over 1,000,000 quintals of which Newfoundland supplied 17 per cent and Iceland and the Faroe Islands 76 per cent.

Saskatchewan Life Expands Operations

Expansion of the Saskatchewan Life into Manitoba and British Columbia is reported to The Financial Post by M. B. Farr, general manager of the company.

At the end of the first quarter of 1934 the company reports first years cash income as well as new paid-for business, as showing a substantial increase over the same period of 1933.

CELANESE EARNINGS AHEAD THIS YEAR

First Quarter's Income Up 45 Per Cent; Comment on Arrears

From Our Own Correspondent

MONTREAL — Net earnings of Canadian Celanese during the first quarter of 1934 showed an improvement of 45 per cent over the first three months of 1933, according to a statement made by G. H. Whigham, chairman of the board of directors, at the company's annual meeting.

Mr. Whigham, acting as chairman of the meeting, also told the shareholders that the directors had under consideration plans for the retirement of preferred dividend arrears which are now being reduced to $25.50 a share. The board, he said, was trying to pay the preferred shareholders $10 a year in regular dividends and arrears, and would be disposed to pay more in a good year.

Two things prevented the immediate payment of all arrears, Mr. Whigham said. One was that the company has not earned enough and the second was that the company did not have the cash. The total of arrears, he pointed out, was about $2,250,000.

Building permits issued at Saskatoon, from January 1, 1934, to April 11, 1934, amounted to $11,715. as compared with $8,318 for the same period last year.

IMPERIAL TOBACCO SHARE VALUE SET

Court Rules on Relation Between Dollar and Pound Sterling

From Our Own Correspondent

MONTREAL.—The Superior Court of Montreal has ruled as invalid the resolution of the Imperial Tobacco Co. of February 19, 1932, providing for payment of dividends on its preferred shares in Canadian currency, on the basis of the then current rate of exchange of Sterling, in order to take advantage of the fluctuations of exchange, instead of payment on the fixed rate of $4.86 2/3 on the £.

In rendering judgment, the court pointed out that under the contract entered into between the company and the purchasers of its preference shares, the relative rights of the parties were not left to the vagaries of the fluctuations of exchange, but rather the £ sterling was given a definite ascertained value. Mr. Justice McDougall noted that: "The company assured the extent of its liability to its shareholders whether upon an appreciated or depreciated pound sterling value by fixing once and for all its value at $4.86 2/3, ensuring that whether the value rose to unexpected or perhaps fictitious heights, or depreciated to an unforeseen and extreme level, the contract between the company and its shareholders would remain unaffected."

Judgment was, in consequence, rendered declaring the directors unjustified in changing the basis of payment which should continue, as heretofore, on the basis of the pound sterling being worth $4.86 2/3 in Canadian currency.

More Butter Output for N. S.

Creamery butter production in Nova Scotia totalled 410,327 pounds in March. This is an increase of 14.3 per cent as compared with March of last year. Thus, for three months in succession, production has shown a sizeable increase, the increase for three months being 12.7 per cent.

3½% ON DEPOSITS

Interest at the rate of 3½% per annum compounded half-yearly makes your savings grow surprisingly fast: Your savings with the Canada Permanent earn this rate with safety.

Founded 1855

CANADA PERMANENT Mortgage Corporation

320 BAY STREET TORONTO

ASSETS EXCEED $70,000,000

THE ONTARIO LOAN AND DEBENTURE CO

LONDON, CANADA
63 Years in Business

Capital $2,000,000—Reserve Fund $3,200,000

Make Mortgage Loans on Owners' Homes at reasonable rates of interest.

ARCHIBALD McPHERSON, President T. H. MAIN, Manager

Montreal Tramways Company

TWENTY-THIRD ANNUAL REPORT

For the year ended December 31st, 1933

REPORT OF THE PRESIDENT AND DIRECTORS

For the Year Ended December 31st, 1933

To the Shareholders:—

Your Directors beg to submit their Annual Report for the year 1933 of the operations of the Company under the provisions of the Contract with the City of Montreal, and of the distribution of the Earnings.

Operations under the Contract show the following results for the year:

Revenue:		
Car Earnings	$10,650,522.68	
Autobus Earnings	1,413,559.48	
*Miscellaneous Earnings	234,435.64	
Recovered from Contingent Reserve	574,501.98	
(Contingent Reserve Account has been credited with a transfer from the Tolls Reduction Fund Reserve of $515,988.92).		
Gross Revenue		$12,873,019.78
Expenses:		
Operation and Taxes	$ 6,372,354.00	
Maintenance and Renewals Allowance $1,343,210.92:		
Expended	1,249,161.45	
To Maintenance and Renewals Reserve	94,049.47	
Autobus Operation and Depreciation	1,116,201.63	
Operating Profit (to the Company)	68,508.46	
Total Operation Expenses		8,900,275.01
Net Earnings		$ 3,972,744.77
Distribution of Net Earnings:		
To the Company:		
For Return upon Capital Value, 6% on $36,286,295.00	$ 2,177,177.70	
Return upon additional Capital Expenditures ($16,684,129.99) since basic appraisal under the contract ..	998,532.43	
Interest on Working Capital	2,888.29	
Interest on Autobus Investment	112,714.88	
	$ 3,291,313.30	
Expense of financing (½ of 1%) of the sum of $36,286,295.00 is allowed annually to the Company to cover the expense of procuring additional capital This amount is carried direct to "Reserve for Financing"	181,431.47	
To the City of Montreal—Annual Rental	500,000.00	
		$ 3,972,744.77

* Includes $17,660.46 transferred from Unredeemed Ticket Account.

REVENUE AND EXPENDITURES OF THE COMPANY

For Year Ended December 31st, 1933

Revenue:		
Allowances under Contract:		
Return upon Capital Value	$ 3,291,313.30	
Operating Profit	68,508.46	
		$ 3,359,821.76
Other Revenue (Outside of Contract)		104,092.37
Total Revenue		$ 3,463,914.13
Expenditures:		
Interest on Bonds	$ 2,426,877.94	
Exchange on United States Funds and Sterling	273,360.62	
Adjustments in Value of Securities	140,000.00	
Other Expenses	6,158.20	
Total Expenses		2,846,396.76
Net Income		$ 617,517.37
Less Dividends		612,500.00
Surplus for the year ended December 31st, 1933		$ 5,017.37

Financial

The Contract between the City of Montreal and the Company provides that in case monies are required to fulfil the conditions of the Contract, they shall be recovered from the Contingent Reserve Fund until that Fund is reduced to below $300,000.00. In that case, if money is available from the Tolls Reduction Fund, such monies must be transferred from that Fund to the Contingent Reserve. During the year an amount of $515,988.92 has been transferred from the Tolls Reduction Fund to the Contingent Reserve. As set out above there has been credited to Revenue Account $574,501.98 recovered from the Contingent Reserve. After completing these transfers there remained in the Contingent Reserve, as shown in the General Balance Sheet, $366,893.37.

The Net Income available to the Company for the year, after paying Bond Interest, Exchange, and other charges, is $617,517.37. Of this amount, $612,500.00 was paid in Dividends, leaving a surplus of $5,017.37 to be added to the total Surplus of the Company.

Inasmuch as the interest on the Company's Bonds is payable in United States Funds or Sterling, $273,360.62 was paid out during the year for this exchange, comparable with $331,368.48 for 1932.

The Company did not incur any expense for financing in 1933, and the Reserve for Financing Account is therefore increased by the annual allowance provided under the Contract, namely, $181,431.47, and now amounts to $760,441.68.

The Maintenance and Renewals Reserve has been increased during the year from $500,000.00 to $678,397.44. As set out above the Company did not expend the full allowance under the Contract, and the Fund was credited with this balance, together with interest and other adjustments. During the year, the Company expended $112,327.39 on betterments and additions to its plant. Of this amount, there was recovered from Maintenance and Renewals Reserve $15,382.75 and from Autobus Depreciation $2,196.00 for property discarded. The Company sold Real Estate amounting to $26,642.93, so that the net addition to Capital Value during the year is $68,105.71.

The number of Revenue Passengers and Mileage for 1933 is as undernoted:—

	Tramways	Autobus	Total
Revenue Passengers, 1933	176,342,540	19,798,563	196,141,103
Revenue Passengers, 1932	189,364,556	21,442,573	210,807,129
	*13,022,016	*1,644,010	*14,666,026
	*6.88%	*7.67%	*6.96%
Mileage, 1933	25,681,491	5,555,275	31,236,766
Mileage, 1932	26,449,278	5,969,280	32,418,558
	*767,787	*414,005	*1,181,792
	*2.90%	*6.94%	*3.65%

* Decrease.

As set out in the above, the number of Revenue Passengers for 1933 was 6.96% less than for 1932. The Company has used every effort during the year to economize by careful purchasing, strict supervision of operating expenses, and reduction of wages and salaries. As a result, the Operating Expenses for the year are 9.99% less than for 1932.

Property

Notwithstanding the limitation of expenditures for maintenance and renewals to strictly essential requirements during 1933, the physical property of the Company has been maintained in a high degree of operating efficiency.

An important renewal of 1.26 miles of track was made on St. Catherine Street, between University and Guy Streets.

In association with related work performed by municipal authorities, existing track on Kelly Street, between Millen and St. Lawrence, was renewed and paralleled by a second track. For the same reason, track on Iberville Street, between Mount Royal and St. Joseph Boulevard, and on Mount Royal, between St. Lawrence and St. Denis, was also reconstructed.

In order to effect savings in operation and improve the service, a loop was installed on Rosemount Boulevard, at 25th Avenue, and an additional curve was also installed at St. Catherine and Bleury Streets.

The important intersection at Notre Dame and McGill Streets was completely renewed, with a minimum of interruption to vehicular traffic; while partial replacements of track were effected on Rosemount Boulevard, between 8th and 11th Avenues; at St. Catherine and Victoria Avenue and at Wellington and Argyle Avenue.

As a result of the above programme .55 miles of single track were added to the system, and 3.14 miles were reconstructed, so that the Company now operates 319.28 miles of single track.

General

The Company reports, with pleasure, that at the last Annual Meeting of the American Transit Association, in a competition open to all street railway companies on this Continent, it was awarded a Special Certificate of Merit for its contribution to the improvement of maintenance practices in the transportation industry.

In a similar competition for the best original maintenance practice, our General Roadmaster, Mr. William Scott, who has been 40 years in the Company's service, secured a financial award.

Taxes

During the year the Company paid:—

To the City of Montreal:—		
Snow Removal	$161,773.82	
Annual Rental	500,000.00	
Taxes	436,739.16	
		$1,098,512.98
To the Cities of Westmount and Outremont and to other Municipalities:—		
Snow Removal	37,889.14	
Taxes	23,473.89	
		61,363.03
To the Federal Government:—		
Income Tax, etc.		32,602.21
To the Provincial Government:—		
Taxes, including gasoline		97,403.10
Total		$1,289,881.32

The total amount paid represents 10.74% of the total Passenger Receipts.
Submitted on behalf of the Board of Directors.

JULIAN C. SMITH,
President.

GENERAL BALANCE SHEET

For Year Ended December 31st, 1933

ASSETS

Fixed Assets:				
Property and Equipment as on December 31st, 1917			$41,413,465.75	
Subsequent Additions January 1st, 1918 to December 31st, 1933			18,562,830.91	
Total Fixed Assets				$59,976,296.66
Investments (Including Securities of Subsidiary and Associated Companies)				2,799,146.97
Investment:				
For Account of Guarantee Fund				500,000.00
Current Assets:				
Cash in Bank and on Hand			$ 589,530.14	
Call Loans			1,116,035.00	
Accounts Receivable			61,257.98	
Company's General and Refunding Bonds at cost (acquired for purposes of Sinking Fund)			57,269.17	
Prepaid Charges			53,344.52	
Total Current Assets				$ 1,877,436.81
Stores				446,701.18
				$65,599,581.62

LIABILITIES

Capital Stock "Common" (70,000 shares of $100. par value)				$ 7,000,000.00
First and Refunding Mortgage 5% Gold Bonds, due 1941:				
Authorized		$25,000,000.00		
Less:				
Bonds delivered Trustee to be held as additional security for General and Refunding Mortgage Bonds	$2,260,000.00			
Unissued Bonds	1,389,000.00			
		3,649,000.00		
			$21,351,000.00	
General and Refunding Mortgage Sinking Fund Gold Bonds, due 1955: (Authorized $100,000,000.00)				
Series "A," 5%		$17,826,500.00		
Series "B," 5%		2,600,000.00		
Series "C," 4½%		2,500,000.00		
Series "D," 5%		5,000,000.00		
		$27,926,500.00		
Less: Bonds redeemed by Sinking Fund		514,300.00		
			27,412,200.00	
				48,763,200.00
Total Capital Liabilities				$55,763,200.00
Current Liabilities:				
Accounts and Wages Payable			$ 526,260.71	
Accrued Interest (Payable in U.S. Funds or Sterling)			353,509.26	
Employees' Security Deposits			28,659.84	
City Rental for 6 months ending December 31st 1933			250,000.00	
Dividend payable January 15th, 1934			157,500.00	
Total Current Liabilities				1,315,929.81
Suspense Account				353,841.24
Reserves for Company's Account:—				
Reserve Account		$ 2,250,000.00		
Reserve for Financing		760,441.68		
Reserve for Unused Tickets		500,000.00		
			$ 3,510,441.68	
Reserves in accordance with Provision of Contract:—				
Depreciation Reserve, Autobus		$ 966,588.74		
Contingent Reserve		366,893.37		
Maintenance and Renewals Reserve ...		678,397.44		
			2,011,879.55	
Total Reserves				5,522,321.23
Surplus:—				
As at December 31st, 1932			$ 2,634,271.97	
For the year ended December 31st, 1933			5,017.37	
				2,639,289.34
				$65,599,581.62

Verified in accordance with our Report of this date.

SHARP, MILNE & CO., C.A.,
Auditors.

Montreal, February 12th, 1934.

Approved on behalf of the Directors:

GORDON W. MacDOUGALL,
WM. C. FINLEY, } Directors.

Certified Correct:
J. A. WILSON,
Chief Accountant.

Mass Buying Enquiry

Mass of Evidence Confronting Special Investigators Delays Main Work of Price Spread Committee—Await Report on Chain Stores

Reports on chain and departmental stores from special investigators appointed by the Price Spreads committee are requiring more time to prepare than was expected, with the result that the return of the committee to its main function of probing the distribution machinery of the country will be delayed.

The officials in charge of the preparation of evidence report that the committee will be unlikely to resume the investigation into chain and departmental stores, as well as into packing plants, for two weeks at least, and possibly longer.

Study Tobacco Industry

Meantime the committee is looking into the problems of the tobacco growers this week, with the prospect of filling in odd days with evidence bearing upon industrial conditions. The enquiry into the livestock industry is nearing the close. Hon. George Hoadley, minister of agriculture for Alberta, is about the only important witness not yet heard. He is expected at Ottawa late this week or early in the following week.

Enquiries among those in charge of the committee confirm, in every respect, the direct repudiation given by Hon. Harry Stevens to the recent speech of George S. Hougham, of the National Fair Trade Council. Mr. Hougham, speaking at London, forecast a new federal minister or referee to supervise a "fair trade" code for Canadian merchandising. The view expressed here, with regard to Mr. Hougham's speech, is that the wish was probably father to the thought. Committee authorities declare that the investigation into merchandising has not proceeded sufficiently far to enable anyone to foretell the legislation that may be deemed necessary. In fact, with the weeks rapidly slipping by it may easily be that the committee will scarcely have touched the field by the time Parliament prorogues and that the complete investigation will have to be carried through by a Royal Commission, with legislation delayed until 1935.

The Financial Post continues its chronological summary of proceedings before the committee.

J. B. Quinn, member of the Toronto Livestock Exchange, appeared as witness before the committee on April 12, and put up a strong plea for legislation compelling farmers and other livestock producers to sell through recognized markets rather than direct to packing plants.

Mr. Quinn stated that in the year 1932, the Toronto Livestock Exchange had handled $15,285,108 worth of business. In 1933 the gross sales amounted to $13,869,900. To the nine commission houses operating on the Toronto Exchange gross income in 1932 was $300,821.83. In 1933 the gross income, said Mr. Quinn, amounted to $298,081.77.

Mr. Quinn produced figures to show that the commission charges on the Toronto Exchange were considerably lower than those obtaining at Buffalo, Jersey City, Chicago, Lancashire and other comparable points. He explained that while pro-rating charges were customary on other exchanges, the Toronto Exchange waived this privilege due to the low prices of stock and prevailing conditions. The commission charges in Toronto, he explained, amounted to $17 per carload of cattle; $13 for calves; $10 for sheep and $10 for hogs. In return for this commission the agents did everything in their power to convert livestock into as many dollars and cents as it was possible to secure for them. It was their desire, he said, to protect the producer in every possible way. When shipments arrive by truck the commission firm is responsible for the animals from the time the truck arrives until they are disposed of, and this service must be maintained 24 hours each day, six days each week, in the case of trucked-in animals, and seven days each week for carload delivery.

Use of Truck Grows

Under cross examination Mr. Quinn stated that in recent years there had been a large increase in the trucking in of livestock. It was the commission firm's duty to give all animals the necessary care once they had arrived at the exchange in order that they might have the best possible appearance before being offered for sale. The commission firm also sorted the animals as to different type and quality.

Of late there had been a great increase in the percentage of livestock delivered to the packing plants, which now obtained about 50 per cent of their livestock through truckers direct from the farmers. He cited figures to show that in 1933 Canada Packers bought 74 per cent of their animals direct. Swift-Canadian 61 per cent and Whyte Packing Co. 47 per cent.

Plant Buyers Shrewd

Mr. Quinn vigorously attacked the functions of truckers who, he said, were interested primarily in the transportation of livestock from the farm to the market and were by no means capable of selling the producers' livestock by unloading it at a plant. The buyers at the plant were picked men, smooth working and shrewd in their dealings. Inasmuch as they were the only purchasers and were experts in their particular line, the trucker was helpless and had to take whatever price was offered him, Mr. Quinn maintained. Well trained as they were, even a commission agent would hesitate to face a buyer for a large packing plant under the conditions which obtain at the plant. The trucker's main object was to sell his load in a hurry so that he could return to the country for a second one. In many cases farmers do not know but what their stock has been sold on the market. In many cases the trucker cashes the farmer's cheque so that he has no way of knowing where his animals have been sold.

Mr. Factor Amazed

Sam Factor, Toronto member of the committee, was amazed that the farmer would be so ignorant as to ship his products direct to the plant in view of all these drawbacks, but Mr. Quinn stuck to his point that it was greatly to the farmer's advantage to sell his stock through livestock exchanges and that in spite of this fact approximately 50 per cent of his produce went direct to the packing plants. Two years ago, he said, the commission men had put on a series of meetings throughout the country in order to acquaint the farmer with the advantage of selling through the market. It was in the nature of an educational campaign, said Mr. Quinn, and while it had some effect, there were still many farmers who would not take advantage of the benefits offered them by various exchanges.

Some time ago the commission men formed an agreement that they would not sell to packing plants with reference to cattle. The point was that sometimes farmers would ask certain expert commission men to visit the plant and sell their cattle for them. Commission men saw that this would be a disadvantage to them inasmuch as it was undermining their growth and would move the buying power over to the plant, and without exception they refused to sell at any other place but at the exchange.

Cites Toronto Case

Mr. Quinn cited the case of the old Davies plant in Toronto. Apparently this did not pay as a processing establishment as the whole of it was closed with the exception of the truck delivery. Every day there is a tremendous volume of livestock literally dumped by the truckers from Eastern Ontario at the old plant. Mr. Quinn argued that this livestock must have been bought at prices low enough to stand the packer's expense of operating a private plant and paying the expense of freighting it up to West Toronto, which is not done until the day after purchasing. It would not cost the producer another cent to have this livestock delivered at the market which could be done in a very little more time by the trucker who would not dare raise his fee because of the keen competition he is faced with. Instead of selling the animals on weight of trucks, they would have every opportunity to feed and water and more than recover in weight the cost of market expenses besides having them sold in competition.

Closely Mr. Young cross-examined Mr. Quinn on his statement that it would not cost the producer another cent to have his stuff delivered at the market. He was hesitant to believe that a trucker would not charge more for hauling livestock another six or seven miles. Mr. Quinn replied that competition was such that truckers would not dare raise their fees for this extra haulage.

Urges Legislation

Asked point blank by Mr. Sommerville how he would remedy the effect of direct shipment, Mr. Quinn replied that commission men had studied the question from all angles and had become convinced that only by legislation, to bring all the stocks to the yard, could the evil be done away with.

If all livestock was dealt with on the public market the producers would then meet with the buyers through the able services of the commission men who are all men of long experience, the witness argued. Instead of the packer dictating the price of the livestock, the farmers would then be in a position to be the dictators, and with the added concentrated buying power of all the abattoirs and small wholesalers there would immediately develop a market that would be on a sound competitive basis, arriving at the true values of livestock from day to day. Packing houses would then be on an equal footing in securing their supplies and the confidence of the producers would be revived instead of having what Mr. Quinn termed the unsatisfactory condition now existing. Commission men were confident, he said, that with all shipments being offered on public markets that prices would be fully restored to a satisfactory level commensurate, at least, with the cost of production. He was sorry to say, he said, that the farmers never seemed to have any confidence in packers. They always think they are taking advantage of them, whether they are or not. Selling through the markets would remove all that. Several of the committee quizzed Mr. Quinn on his argument that market selling would raise the price. So severe was the onslaught on this point, which Mr. Factor termed an exaggeration, that Mr. Quinn finally admitted that the phrasing might be a little "strong." However, prices would be sure to be restored to a level higher than they were today.

Explains Set-up

By cross-examination, Mr. Young sought to show that commission agents looked on packing plants as competitors in the matter of prices. Mr. Quinn would not agree with him there, except to say that there was competition in selling.

At some length the witness explained the set-up by which various markets throughout Canada were acquainted with prices and conditions in other markets. This elaborate system enabled all commission agents to gain a certain supremacy over the buyer. This was another service which the farmer got for his commission fee, Mr. Quinn pointed out. This bargaining power was lost when selling direct. If all livestock were marketed through the yards there would be quite a readjustment made in charge, Mr. Quinn said, and agreed with Mr. Young that this would amount to between $1 and $2 a carload. The very fact that packing plants kept up the system of buying direct proved that they were getting their livestock from the farmer at a cheaper price. Packing men had admitted to him, said Mr. Quinn, that their direct shipments were the cheapest. Asked by Mr. Kennedy if he had the name of the packer who said that, Mr. Quinn said that he had.

Factor, Stevens Clash

Unemployment conditions on the farm were blamed by witness for the rapid growth of the trucking trade. Many young fellows were out of work and didn't want to work on the farm so they got a truck and started hauling livestock without any previous experience in either selling or handling. As far as hogs were concerned it was the system of fixed differentials as opposed to grade selling which had so encouraged direct shipment, he said. Differential systems whereby hogs were sold by the carload did away with the necessity for grading them and thereby eliminated the need for a commission man. If the differential system were done away with, the commission men could get much better prices for the lower-grade animals, the witness argued.

After the witness was discharged, Mr. Factor and Mr. Stevens clashed over the question of the marketing bill now before the house. Mr. Factor argued that this proposed legislation was anticipating a finding for the committee. Mr. Stevens disagreed with him. However, said the chairman, he did not believe that the committee might be justified in recommending how the proposed marketing board, if it were to pass Parliament, might be used in connection with the solution of marketing problems, but Mr. Factor stuck to his point that the proposed legislation and the committee were at cross purposes. Mr. Stevens replied that he did not intend to be put in the position of assuming the findings of the committee. Mr. Factor was handicapping him in this regard, he said. Finally, it was agreed to hold an executive session of the committee to discuss the possibility and the advisability of holding up the legislation having to do with the marketing board until after the committee had turned in its finding.

Compares Prices Paid

T. Ross Chapman was the next witness called, explaining that he was a member of the firm of Dunn & Levack, commission agents on the Livestock Exchange, Toronto. Mr. Chapman handed around statements of recent sales to bolster his point that it was greatly to the farmer's advantage to ship through the markets. Comparative prices showing what the packing houses would have paid the farmer and what the exchange paid the farmer were shown in each case, and in each case, according to Mr. Chapman's figures, the farmer benefitted by as much as two or three dollars on every animal. He mentioned the fact that making out these detailed accounts was just another service which the commission agents performed for the farmer.

His evidence clashed with that of the previous witness on the question of whether it was faster for the trucker to ship direct to the plant instead of to the exchange or not. Mr. Chapman believed that the trucker would make faster time by bringing livestock to the market. He warmly denied that commission agents ever paid truckers a consideration for bringing livestock to them instead of taking it to the plant. They could not afford to do that, he said. Never in all his experience had he ever heard of any commission agent paying truckers a bonus. Cross-examined by Mr. Sommerville, the witness said that he knew of a definite case in Hamilton where a packing plant had paid a bonus to a trucker to bring livestock direct to the packing plant. The bonus paid was 20 cents a head. While he had no evidence that this condition existed in Toronto, he had seen the definite statement showing the payment of the Hamilton packing house. If this were true, said Mr. Kennedy, it was of tremendous importance.

Suggests Bill of Lading

Since the advent of the truck the farmer had lost the protection which the bill of lading used by railroads had afforded him. The producer had now to depend in many cases on the integrity of the trucker which had often resulted in the farmer sustaining a serious loss. There are known to be hundreds of dollars owing to farmers throughout the country from truckers, said Mr. Chapman, adding that it was a not uncommon experience to have a producer call at the office of a commission house requesting payment for his livestock which he fully expected had been sold by the commission firm, only to find that it had been disposed of by the trucker, who had not as yet made returns to the producer. This was a serious condition of affairs, said Mr. Factor.

Questioned, witness said that there was a provision made in the Provincial House whereby a bill of lading would be required from every trucker. This was only in force for a very short time. For some reason unknown it was immediately eased off and it did not function in the way they had hoped it would, said Mr. Chapman. If the bill of lading were in force as far as trucking was concerned, the commission agent would make sure that the farmer got his money, sending it to him instead of handing it to the trucker. The witness said that as far as he knew the law was still on the statute books. The Ontario Marketing Board were quite anxious about it, he said.

A "Serious Allegation"

It was a very serious allegation, interjected Mr. Factor, to say that there was a law on the statute books not being enforced because of activities of some party unnamed. Nevertheless that was the fact, said the witness. Commission agents believed that the law was not in force because of pressure from somebody else, whereas it should be a law carried on the federal statute books instead of provincial.

Mr. Chapman said that he could see no reason why a law demanding a bill of lading from a trucker could not exist across Canada just as now it exists for the railroads. Mr. Chapman accused packers of deliberately encouraging producers to ship direct to their plants instead of through the markets.

Harry Talbot, member of the Toronto Livestock Exchange, was the next witness called, on April 21. The merger of four or five big packing plants a few years ago had cut the number of buyers on the market from sixteen to six. That was in cattle alone. He admitted under cross-examination that the merger had restricted competition to a noticeable degree. As a result of the increase in direct shipment packers now had a considerable percentage of their requirements brought right to their door, with the result that when they visited the market they were in no hurry to buy and could force down the price.

Pleads Farmers' Cause

Hon. W. C. Buckle, Minister of Agriculture for Saskatchewan, was the first witness called on April 17. In his brief presented to the committee, Mr. Buckle stated that the Province of Saskatchewan had a two-fold interest in the enquiry, first as a producer and seller of agricultural products in large volume and, secondly, as a purchaser of industrial products to meet the consumptive demand. He urged that the dire need of his province was to increase the purchasing power of the farmer. In 1932, he said, Canada exported less than $7,000,000 worth of livestock and livestock products in the form of meat. By selling less than $7,000,000 worth which placed Canada's domestic market on an export price basis purchasing power of Saskatchewan farmers was practically wiped out with a consequent disastrous reaction on industry, unemployment and relief. He estimated that the debt increase on the average Saskatchewan farm since 1921 as a result of drought and dropping values was $707 and the loss of five years' crop calculated on the average yield, being in that period $202,000,000.

Cross examined by Mr. Stevens, the witness stated that in Saskatchewan the point was reached where the farmers' credit was about exhausted. The solution, he said, was either in enlarging exports so that the income of the farmer could be increased by production and sale of products in large volume, or by undertaking a programme of domestic price raising. Mr. Buckle was apprehensive of the latter course. He could not see, however, that national prosperity was possible until means were found to increase farm revenue substantially without correspondingly increasing volume of products. He hoped, he said, that the operation of a Natural Product Marketing Act, introduced in the Dominion Parliament, might be found to possess some value in accomplishing this purpose. An alternative to control of prices and production was the pushing of production to the maximum and the adoption of a national policy of effecting trade treaties under which agricultural output could be exported.

Food "Too Cheap"

While admitting that the home market should be a valuable one for farmers, Mr. Buckle pointed out that with the two exceptions of wheat and cheese the bulk of the production of Canadian farms is still marketed in Canada, but at prices so low that the whole business life of Canada is disastrously affected. This condition of low domestic prices he blamed on the small percentage of cattle, poultry products and butter available for world markets after the domestic need is supplied and world values force down the price of the major part of agricultural production consumed in Canada.

It might appear, he said, as a great lessening of the national burden of relief and as a direct benefit to those who were unemployed that agricultural products could be purchased so cheaply. Experience showed, however, that food could be too cheap and it would seem that national prosperity would remain beyond reach so long as agriculture continues to fill the role of a provider of cheap food instead of regaining a greater measure of independence, thus becoming again a full-time partner in Canada's national domestic economy as a purchaser and user of the products of industry.

Urges Treaty Arrangements

The Minister expressed the opinion that acceleration of production without an increase of price would be of no great value to Canada today. Unless revenues were increased, it was hardly of much value to increase production. He urged treaty arrangement that would enable the western farmer to export his products to Hudson Bay and obtain a benefit from water transportation. Western farmers want to pay their debts; they want to buy and in the past have bought freely to meet their physical needs, but at the present time they are not in a position to do either, as they would wish. Drought and crop failures had to a certain extent brought about this condition, he said, and the return of average yield in the future would be an improvement, but when one viewed the condition of world markets and visualized a return of average crop yields on present acreage in Canada and United States, it was not hard to imagine the difficulty in selling wheat at remunerative prices. By means of charts Mr. Buckle drove home his point that what the western farmer received for his products was 27 points below what it was in 1913 and 1914, taking prices in those years as 100. As contrasted to this was that the farmer last year paid 27 points more for what he bought than he did in 1913 and 1914. In addition to this, labor which constitutes such a large proportion of what the farmer bought was 70 points above what it was in 1914.

In his opinion the big job which lay before the committee was to more or less harmonize this wide spread.

Both Mr. Edwards and Mr. Heats took issue with the witness in his statement that the working man receives 70 points more today than he did in 1914. Nor would he admit that agricultural products had dropped just about twice as far as other products. When these members insisted on challenging the statement, Mr. Stevens agreed to get a figure from the Dominion Bureau of Statistics and to have the chairman of that bureau attend the committee to substantiate his report.

Cites U. S. Efforts

Queried on the price paid to farm labor, the witness said that if there was any industry that had been carried on with sweated labor any more than agriculture at the present time, it would be hard to find.

The witness argued that the proper place to bring the price that the farmer gets for his commodities was up to the point of the value of the things the farmer has to buy. Taking the price of wheat which averaged about 67 cents per bushel, No. 1, at the country elevator in 1914, one would have to bring the wheat the same grade at the same point up to 85 cents per bushel. Butchered steers which were $6.55 would have to be increased in price $8.42. This was what was being done in the United States, said witness. From all reports, he said, things were not going so well. That was why he argued it would be better to bring the two together at the common basis they were in 1914. As a means to obtaining this end he suggested the setting up of a fact finding committee to go into the various questions he had outlined.

Wants Interest Scaled

It might be argued, he said, that these factors of agricultural production would ultimately be taken care of through the adjustment of supply and demand. However, he claimed that this adjustment of supply and demand had been so obstructed and impeded that it was necessary for a strong national policy to be developed to relate these factors more equitably than the one to the other in Canada. If the mass buying enquiry resulted in raising wages in industrial establishments and in increasing the cost of living generally without bringing about a corresponding benefit to agriculture in higher values of grain, livestock and livestock products, the net result to Canada would be a loss rather than a gain, he said.

Touching on the interests question, witness said that a tremendous burden would be lifted from agriculture if a drastic cut in interest rates were made, taxes could be reduced and the beneficial effect on both industry and agriculture would be almost immediate. He had heard rumors, he said, of plans for dealing with this question and he hoped that some solution would be found. It was imperative, he said, that the dire conditions in his province from an agricultural point of view should be frankly recognized by the people of Canada who are not engaged in agriculture.

Criticizes Stock Yards

Asked by Mr. Stevens what he thought of the growing custom of buying livestock direct from the farm instead of through the livestock exchanges, the Minister replied that many farmers had come to him and complained of the charges at the stockyards. In his opinion, the deviation of livestock from the stockyards to the plants direct had been occasioned somewhat by the dissatisfaction with the treatment the farmers were getting at the stockyards. He recommended that this question be thoroughly investigated by the committee.

Asked by Mr. Fenn what he thought of the suggestion that the stockyards instead of being under private ownership might be taken over by the provincial administration and operated by them, witness said that he thought the government had enough business to handle now without taking over public stockyards.

Hon. D. G. McKenzie, Minister of Agriculture for Manitoba, was the next witness called on April 17.

Mr. McKenzie recommended that the Livestock and Livestock Products Act should be made to apply to all abattoirs. This, he said, would include the setting up of independent weigh masters, and of machinery to put the price on the ticket when the cattle were weighed.

Crux of Problem

If he were asked to express a personal opinion he would say without hesitation that he was in favor of direct shipments to stockyards. In the meantime, however, it was necessary to bring the packing plants under exactly the same regulations as applied to public yards. The duplication, he said, would not be very great. Mr. Stevens asked what would be the effect upon the public stockyards if direct shipments continued to increase for the next five years in the same proportion as they had during the last five years. That, said the witness, was the very crux of the situation. Recognizing the trend of the last five years, and the fact that the trend has been so definitely to the packing plants, meant that if it continues for another five years in the same proportion as at present, the public yards would be put out of business. This, he said, would be absolutely disastrous to the producer.

The dominating factor in the trend to direct shipments, said witness, was the trucker.

Scores Price Fixing

Returning to the more general problems facing the Manitoba farmer, witness said that he doubted very much the value of any attempt to fix prices, even minimum prices. For instance, he said, if a minimum price for beef were fixed it might be very desirable, but it would only have value if the meat would sell at that price. If that price was out of line with the price of other foodstuffs there would be no consumption of beef and consequently nobody would be helped. What he did subscribe to, however, without any hesitation was that consideration must be given to ways and means of getting back to the producer the biggest possible proportion of the dollar that the consumer pays. Closely cross-examined by Mr. Sommerville, witness said that he thought there was to a certain extent a move toward price fixing on the part of the packing plants. This move he saw as purely natural. Mr. McKenzie said that he thought this price fixing should really be in the hands of some authoritative committee, such as a Government Commission. With the present situation of only three or four large buyers operating on one livestock yard there was a possibility of collusion. He agreed with Mr. Kennedy that in order to increase prices it was necessary first to increase the consumption by the people of Canada.

War on Waste

Among the new items of expense in the 1933-34 ordinary accounts of the Dominion Government was $1,000,000 for the Canadian Radio Commission. At the time the commission was created, The Financial Post predicted that it would become another heavy drain on the public purse and that the million dollars would only be a starter.

Commander C. P. Edwards of the Department of Marine recently testified that it would cost $2,500,000 for the commission to operate satisfactorily. Other interests have indicated their belief that all the commission needs to make it a success is more money.

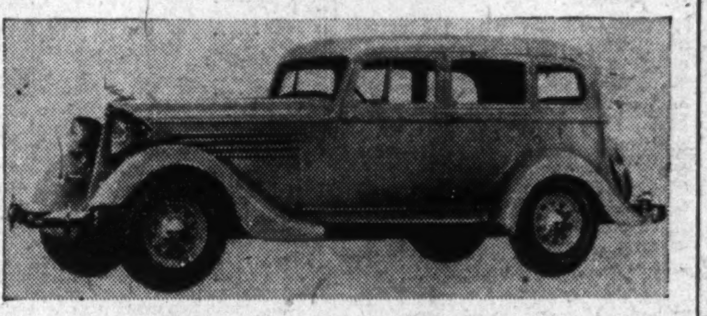
On the other side of the picture, complaints about the operations of the commission have been numerous. It is claimed that the million dollar expenditure has resulted in few, if any, improvements in Canadian radio since the commission took office. The radio commission may have done much or little. It has had a year and a million dollars for its purposes. In that time, and with that much money, it has been established that the service results chiefly in a difference of opinion. It is too great a cost to provide another subject for national debate. One million dollars has been thrown into the expense account. The time to reap the benefit of the lesson is now, before heavier costs are piled up, and the job of disintegrating the commission is made more difficult by the very reason of increased expenses and investment. This is a one million dollar waste that could be eliminated immediately.

Canadian Industries Announce Executive Changes

RUSSELL SMITH
Formerly assistant secretary, who has been appointed secretary of Canadian Industries, Ltd.

GEO. W. HUGGETT
Who has been named a vice-president and treasurer of Canadian Industries Ltd.

The New Chrysler Six



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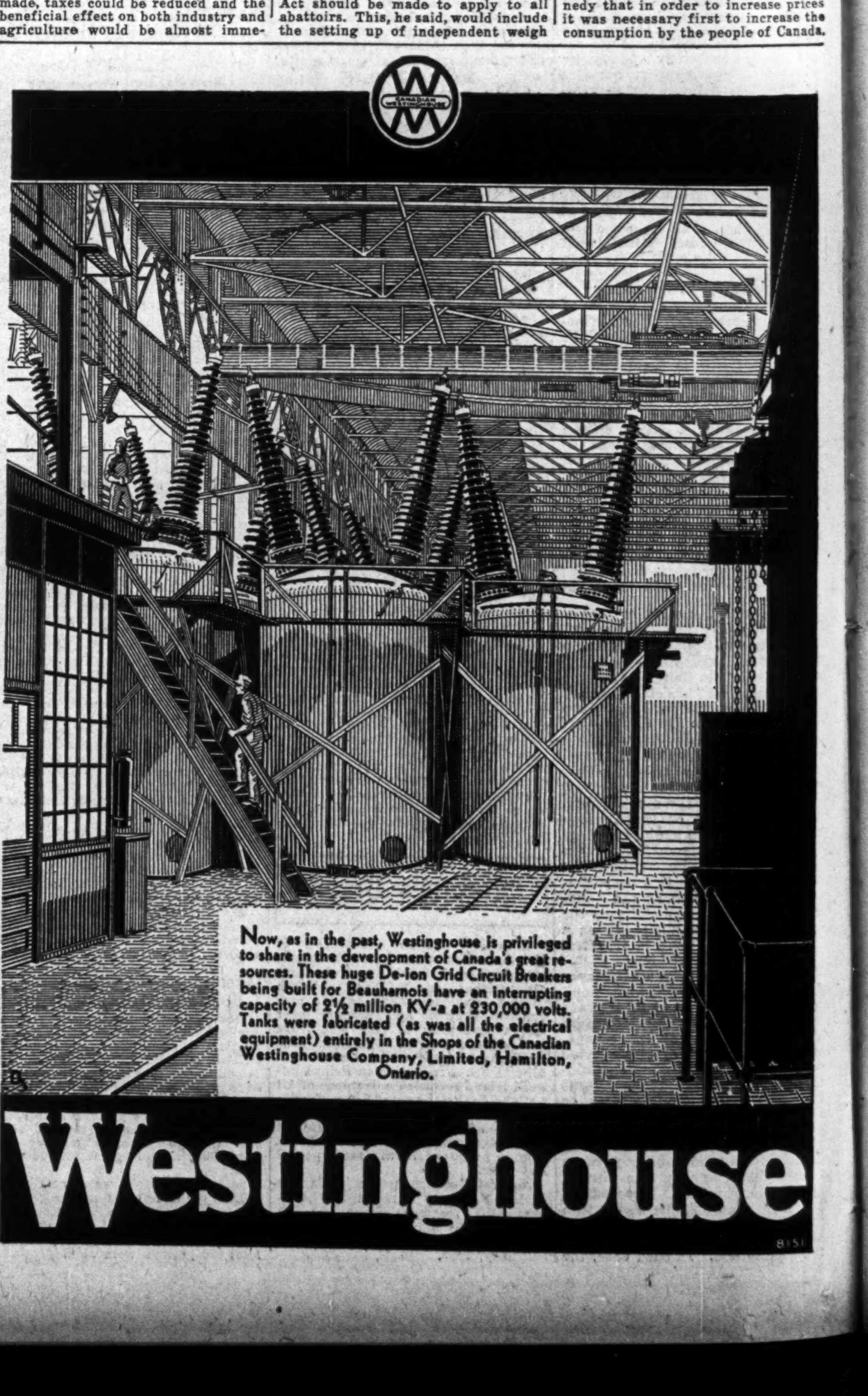

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BELL TELEPHONE CO. ANNOUNCES CHANGES

Many Appointments Following Retirement of Secretary-Treasurer

From Our Own Correspondent

MONTREAL.—Retirement of W. H. Black as secretary-treasurer of the Bell Telephone Co. of Canada on April 30 next results in a number of important changes in the executive of the organization.

Official announcement is made of the appointment of E. Palm, now vice-president and comptroller, to be vice-president in charge of accounts and finance, effective May 1. Mr. Palm, a native of Hamilton, entered the telephone business with the Central Union Co. in Chicago in 1887. He spent many years with the Bell system in the United States, coming to Montreal in 1910. He has been chief accounting officer since that time and was made vice-president in 1930.

F. G. Webber, now division manager at Montreal, becomes secretary of the company, effective May 1.

F. Johnson, now assistant comptroller, becomes comptroller. He began his telephone career with the National Telephone Company in England in 1904, entering the service of the Bell Telephone Company on coming to Canada in 1910.

J. R. Logan, now assistant-treasurer, becomes treasurer. Mr. Logan has spent his entire business career with the Bell Telephone, beginning in 1909.

Advertising Linage Moves Up Sharply

From Our Own Correspondent

MONTREAL.—Newspaper advertising linage in the United States registered a sharp upward swing last March, according to returns compiled by Media Records in 52 of the larger metropolitan cities and published by Editor and Publisher. The actual linage last March was 103,648,150, compared with 76,363,808 in March, 1933.

Both display and classified advertising registered an increase last month. Display linage at 87,071,472 lines compared with 61,553,635 lines for the same month last year, while classified advertising totals 16,576,678 lines compared with 14,810,173 lines in March last year.

All classifications of advertising registered an improvement last month. Compared with March a year ago the returns for the same month this year show an increase in retail advertising from 43,230,485 to 59,498,299 lines; departmental store advertising advanced from 18,459,934 to 24,838,607 lines; general advertising increased from 13,868,882 to 19,383,930 lines; automotive advertising increased from 2,503,474 to 6,179,128 lines.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING APRIL 21

Range 1934 High	Range 1934 Low	Divd. Rate in $	Yield in % Apr. 21		Sales	Close Apr. 16 (or last)	Week Ending Apr. 21 High	Low	Close
32	30	..	...	West. Grocers.	....	[illegible]			
87	85	7	8.2	Do. pref. ...	100	87	85	86	85
39	28	1	2.6	Weston Bisc. ..	2020	37	39	35½	38½
105	88½	7	6.8	Do. pref. ...	16	101	105	102	103
5	3½	..	...	Whittall Can .	5	4	4	4	4
65	35	6.50	11.8	Do. pref. ...	45	60	65	55	55
2	2	..	...	Windsor Hotel.	....	2	..	..	..
18	5½	..	...	Do. pref. ...	....	10	..	..	..
4	1½	..	...	Winnipeg Elec.	670	3½	3½	3	3½
12	4	..	...	Do. pref. ...	10	10	10	10	10
40	20	..	...	Woods Mfg. p.	55	35	40	40	40
				Z					
5½	4	..	...	Zimmerknit, c.	....	5½	..	..	..
50	50	..	...	Do. pref. ...	....	50	..	..	..

No sales recorded in 1934 to date.

§ Quotations for 1933.
x Quotations for 1932.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
* See "Unlisted Stocks" also.
• Plus 25c. on arrears paid April 2.
a Plus 75c. on arrears paid April 2.
▲ On account of arrears.
● Plus extra of 87½c. paid Jan. 31.
■ Plus $3.50 on arrears paid Feb. 15.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto.
April 24, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	2.25	2.60
Acadia Sugar pfd.	4.25	4.60
Andian National	31.50	32.50
Allens London pfd. bonus c.	34.00	....
Allens St. Cath. pfd. bonus c.	34.00	....
Allens Toronto pfd. bonus c.	19.50	....
Atlan. Sugar pfd.	87.00	91.00
B. C. P. & P. pfd.	5.50	....
Burns pfd. bon. c.	7.00	9.00
Can. Dom. Sugar	45.25	46.75
Can. Machinery c.	1.30	1.90
Can. Machy. pfd.	9.50	15.00
Canada Packers c.	39.00	42.00
Can. Packers pfd.	99.00	102.00
Canada Starch c.	8.00	....
Can. Starch pfd.	76.00	....
Can. W. & Cable pfd. WW	81.00	83.00
Can. Indust. A	161.00	....
Can. Indust. B	161.00	165.00
Can. Indust. pfd.	137.00	140.00
Can. Westing'se	46.50	47.75
Chase pfd. bon. c.	19.50	23.00
Claude Neon Gen. Adv. Units	4.00	6.25
Comm. Fin. pfd. bonus c.	9.50	....
Copeland Fl. Units	4.00	6.00
Dom. F. & Steel c.	8.50	9.75
Dom. F. & Steel p.	60.00	....
Dom. Manufac. pf.	66.50	....
Dom. Woollens c.	2.50	3.50
Dunlop Tire pfd.	68.00	....
Easy Wash. pfd. (Old)	15.00	....
East. Dairies pfd.	11.75	15.00
Federal Grain pf.	17.00	21.00
For. Power Sec. p.	9.50	12.00
Gen. St. Wares pf.	24.00	25.50
Goderich Elev. & Transit	7.25	8.25
Green. Wire pfd.	65.00	70.00
Guelph Carpet pf.	80.00	83.50
Guelph Carpet c.	10.25	12.50
Harding Carpets Units	17.50	21.00
Hayes Wheels pfd.	10.50	....
Highland Dairy p.	64.00	70.00
Inter City Bak. c.	13.50	15.00
Inter. Paints pfd.	13.50	15.50
Inter. Propriet. A	35.25	36.75
Langley's pfd.	56.00	60.00
Loew's Lond. pfd.	3.25	4.25
Loew's Toronto p.	68.75	75.00
Mansfield Thea. p.	29.00	31.50
Massey-Harris pf.	20.00	22.50
Nat. Grocers c.	4.75	5.00
Nat. Grocers pf.	105.00	110.00
New Meth. Laund. pfd.	35.00	....
Para. Kitchener p.	34.25	....
Para. Oshawa pf.	41.50	....
Prov. Paper pfd.	82.00	85.00
Reliance Gr. pfd.	53.00	57.00
Rob. Cons. Cone	7.75	9.00
Rolland Paper pfd. WW	76.50	81.00
Ruddy, E. L., pfd.	14.00	....
Serv. Stat. 6% pfd.	52.50	....
Stand. Clay c.	....	15.00
Stand. Fuel pfd. bonus	6.50	9.00
Supersilk pf. bonus	49.00	....
Supertest Pet. B pfd.	23.00	25.00
Thayers com.	4.00	....
Thayers $3.50 pfd.	40.50	42.50
United Corpns. A	12.25	14.00
United Corpns. B	5.00	5.65
West. Grain pfd.		
Willards Choc. pf.	8.00	....
Wood, Alex. & J. pfd.	19.50	24.00
Zimmerknit c.	4.25	5.25

Insurance Stocks:	Bid	Asked
Brit Amer. Assce.	23.00	28.00
Canada Life	436.00	....
Can. Fire	55.00	59.50
Confed. Life 20% pd.	125.00	130.00
Cont. Life 20% pd.	36.00	42.50
Crown Life	103.00%	....
Dom. Life 50% pd	165.00	....
Dom. Fire	84.00	....
Dom. of Can. Gen. Ins.	100.00	110.00
Empire Life 25% pd.	9.50	....
Excel. Life 30% pd.	74.00	79.00
Fed. Fire 25% pd.	35.50	....
Great-West Life	330.00	....
Guar. of N. A. fully paid	201.00	225.00
Guar. of N. A. 20% pd.	41.00	....
Imperial Life	286.50	....
Manufac. Life	222.00	227.00
Monarch Life 10% pd.	17.75	20.00
National Life 25% pd.	....	61.00
Sov. Life 25% pd.	16.00	20.00
Sun Life	475.00	485.00
Tor. Gen. Insce.	5.00	....
Traders Fin. A pf.	40.00	45.00
Western Assur. c.	22.50	....
West. Life 20% pd.	9.00	11.50
Trust & Loan Stocks:		
Br. Mtge. & Tr.	130.00	140.00
Chartered Trust	64.00	68.50
Eastern Trust	140.50	....
Lond. & West. Tr.	....	41.50
Premier Trust	35.50	....
Sec. Loan & Sav.	100.50	....
Sterling Trust	....	45.50
Trusts & Guar.	41.00	45.00
Vict. Tr. & Sav.	125.00	135.00
Waterloo Tr. & S.	78.50	....
Investment Trust Shares:		
Can. Gen. Invest. ex-div.	5.50	5.70
Can. Int. Inv. Tr. Units	19.50	....
Can. Invest. Fund	3.45	3.65
Can. Investors	6.15	....
Cons. Div. Stand. Sec. pfd.	12.00	....
Deb. & Sec. pfd.	20.50	....
Dom. & Anglo Inv. Units	190.00	....
Dom. Scottish Inv. Units	20.00	....
Invest. Foundation Units	40.00	....
Sec. Holding Un.	9.00	13.00
Power Issues:		
Calgary Pwr. pfd.	86.50	90.00
Can. L. & P. c.	25.00	30.00
Can. W. Nat. Gas L. H. & P. pfd.	88.00	90.50
Gt. Lakes Pr. pfd.	88.00	....
Marit. T. & Tl. pfd.	12.15	13.00
N. B. Telephone c.	9.15	10.25
N. S. L. & P. c.	25.00	....
N. S. L. & P. pfd.	77.50	....

Recent London Quotations:	
Brit. Col. Tele., pfd.	$100
Brew. & Distillers	9s 4½d.
Can. & For. Secs.	5s. 6d.
Can. Collier, A, inc. stk.	36
Do., B	6
Can. N. W. Land	£1½
Can. West. Lumber	1s. 9d.
Hudson's Bay	28s. 3d.
Do., 5% pref.	105s.
Internat. Holdings	$2⅜
Nfld. Pr. & Pap. deb. stock B 5½%	102
Tor. Sub'an 4½% deb. stk.	20
Trust and Loan	1/16

Winnipeg Stock Exchange

(Transactions for week to April 21)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Apr. 21
1	..	Crescent Creamery	2	25	25	25
4	..	Canadian Fire	2	55	55	55
..	..	El Bonanza	1,000	.26	.26	.26
..	..	Forty-Four	100	8.35	8.35	8.35
..	..	Gabrielle	1,400	.61½	.54	.54
..	..	Island Lake	12,600	.19	.11	.14½
..	..	McLeod Cockshutt	200	.46	.46	.46
..	..	Manitoba & Eastern	1,400	.25	.24	.24
..	..	Ore Grande Units	9	125.00	100.00	125.00
..	..	Ore Grande	1,500	.15	.11½	.11½
..	..	Pickle Crow	100	.82	.82	.82
..	..	Scotia Gold	2,600	.36	.35	.35
..	..	Smelters Gold	400	.31	.31	.31
..	..	Toburn	200	1.65	1.65	1.65
1	10.2	United Grain	16	10	9¾	9¾
..	..	Wpg. River Tin	1,000	.02	.02	.02
..	..	Wingold	1,000	.48	.48	.48

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber, pref.	..	68
Do., com	..	3½
Gt.-West Life	320	..
Home Investment	20	..
Northern Trust	10	..
Reliance Grain, pfd.	50	55
Traders Bldg. Assn.	65	..
Can. Amer. Tr. shs.	2⅞	3¼
Can. Inv. Fund	..	3.65
Fundamental Ser. A	..	4¼
Fundamental Ser. B	..	4¾
Grouped Inc. shs.	..	4.70

*Stocks more active on other exchanges not included.

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., 329 Bay St., Toronto
April 25, 1934

			Bid	Asked	Yield
*†Dominion	5	1 Mar., 1937	107.00	107.50	2.24
†Dominion	5½	1 Dec., 1937	109.75	110.25	2.52
Dominion	5½	1 Nov., 1934	101.80	101.55	2.36
Dominion	3½	15 Oct., 1935	101.10	101.45	2.50
Dominion	4	15 Oct., 1935	101.75	102.10	2.56
Dominion	5	15 Nov., 1936	105.00	105.25	2.89
Dominion	4	15 Oct., 1939	102.25	102.65	3.47
Dominion	4½	1 Sept., 1940	105.00	105.25	3.58
Dominion	5	15 Nov., 1941	107.90	108.25	3.74
Dominion	5	15 Oct., 1943	108.00	108.40	3.93
Dominion	4½	15 Oct., 1944	105.00	105.35	3.88
Dominion	4	15 Oct., 1943-45	101.60	101.85	3.77
Dominion	4½	1 Feb., 1946	105.00	105.35	3.94
Dominion	4	15 Oct., 1947-52	101.80	102.00	3.81
Dominion	4½	1 Nov., 1946-56	104.65	105.00	3.98
Dominion	4½	1 Nov., 1947-57	104.65	105.00	4.02
Dominion	4½	1 Nov., 1948-58	104.65	105.00	4.04
Dominion	4½	1 Nov., 1949-59 (with talons)	105.15	105.50	4.06
Dominion Guaranteed Bonds					
xCan. Nat. Ry.	4½	1 Sept., 1951	106.75	107.25	3.92
*Can. Nat. Ry.	4½	1 July, 1957	105.00	105.50	4.13
Can. Nat. Ry.	5	1 Feb., 1954	110.00	110.50	4.22
xCan. Nat. Ry.	4¾	15 June, 1955	108.50	109.00	4.12
xCan. Nat. Ry.	4½	1 Feb., 1956	106.75	107.25	4.00
xCan. Nat. Ry.	4½	1 Dec., 1968	104.75	105.25	4.21
xCan. Nat. Ry.	5	1 Oct., 1969	110.50	111.00	4.24
xMontreal Harbour Cm.	5	1 Nov., 1969	110.75	111.25	4.22
Provincial Government Bonds					
*Alberta	4½	1 Oct., 1956	88.00	90.00	5.26
Alberta	6	1 Mar., 1947	100.25	101.25	5.86
*British Col.	4½	1 Oct., 1953	85.50	87.50	5.56
British Col.	5½	1 Feb., 1945	94.50	96.00	6.00
British Col.	6	15 Feb., 1947	97.50	98.50	6.16
xManitoba	5	2 Dec., 1959	95.00	96.00	5.28
Manitoba	5½	1 Oct., 1955	96.50	97.50	5.70
Manitoba	6	1 Apr., 1947	100.00	101.00	5.88
*N. B.	4¾	15 Apr., 1960	102.25	103.50	4.52
N. B.	5	2 July, 1963	105.25	106.25	4.61
N. B.	5½	15 May, 1960	108.50	109.50	4.67
N. Scotia	4½	15 May, 1943	102.00	102.75	4.12
*N. Scotia	5	1 Mar., 1960	107.75	108.75	4.43
xOntario	4	1 June, 1962	99.50	100.25	3.98
xOntario	4½	1 Sept., 1944	105.25	106.00	3.80
Ontario	4½	1 June, 1950	104.00	104.50	4.13
xOntario	5	2 Dec., 1960	111.25	111.75	4.27
Ontario	5½	1 July, 1946	111.50	112.00	4.25
Ont. H. C.	3½-4-5	1 Oct., 1952	97.25	97.75	4.09
xOnt. H. C.	4	1 Aug., 1957	99.50	100.00	4.00
Ont. H. C.	4¾	1 Jan., 1970	106.00	106.50	4.39
Quebec	4½	1 Aug., 1958	103.00	103.75	4.01
Sask.	5	1 Aug., 1958	89.00	90.00	5.77
*Sask.	5	1 Nov., 1959	89.00	90.50	5.71
Sask.	5½	1 Oct., 1952	94.50	95.50	5.90
Sask.	6	15 Mar., 1952	98.25	99.25	6.07

Municipal Bonds

*Calgary	5½	2 June, 1944	2 June	91½	94	6.29
*Edmonton	5½	1 Nov., 1945	1 May	90	92	6.50
*Halifax	5	1 July, 1961	1 July	106½	108	4.49
Hamilton	5	1 May, 1950	1 May	104½	106	4.47
Montreal	5	1 Mar., 1945	1 Sept.	100	101½	4.82
Ottawa	4½	1 July, 1945	1 July	101½	103	4.17
*Quebec	5	1 June, 1959	1 June	100	102	4.87
Regina	5	1 July, 1944	1 July	80	85	7.04
St. John	5	15 Dec., 1950	15 June	105	106½	4.65
*Toronto	4½	1 Jan., 1955	1 July	101½	103	4.28
Victoria	5	21 July, 1945	21 July	89	92	5.97
Winnipeg	5	1 Mar., 1944	1 Sept.	93½	95¼	5.60

† Tax Exempt Issues. *Payable in Canada and New York.
x Payable in Canada, New York and London. Yields are calculated on offering prices.

Canadian Mining Share Quotations, Page 19

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto.
April 24, 1934

Industrial Bonds—		Bid April 24	Asked April 24	Bid April 17
Abitibi P. & P. 5% 1953	F	46.50	47.00	42.25
Abitibi P. & P. C.O.D.	F	42.50	44.00	39.50
Acadia Sugar 6% 1946		100.00	101.50	99.00
Alta. Pacific Grain 6% 1946		75.50	78.00	77.00
American Sales Book 6% 1939		99.50	....	99.00
Asbestos Corp. 6/41 ex-stock	F	59.25	60.50	59.00
B. A. Oil 5% 1945		102.00	103.25	102.25
B. C. Pulp 6% 1950	F	65.50	68.00	65.00
Burns 5½% 1948	F	41.00	43.00	42.00
Can. Biscuit 6½% 1946 WS	F	39.00	41.00	38.50
Can. Bread 6% 1941		90.50	93.00	87.00
Can. Cement 5½% 1947		90.25	91.25	90.75
Can. Steamship 6% 1941	F	33.75	35.00	32.25
Can. Canners 6% 1950		101.00	102.00	101.25
Can. Copper Refin. 6% 1945		106.50	....	107.00
Can. Cottons 5% 1940		100.00	....	99.50
Can. Goodrich Income 7/43	F	35.50		35.50
Can. Rail & Harbor 6½/51	F	27.50	28.75	28.50
Can. Vickers 6% 1947		63.50	66.00	59.00
Cons. Invest. 4½% 1959	F	77.00	80.00	73.00
Debenture & Sec. 4% 1936		73.00	77.00	73.00
Dom. Tar & Chemical 6% 1948		92.50	94.50	92.00
Dom. Telegraph 5½% 1978 A		93.00	96.50	92.00
Dom. Textile 6% 1949		107.00	109.00	106.75
Dom. Woollens 6% 1948	F	38.50	41.00	38.00
Donnacona Paper 5½% 1948	F	56.00	58.00	40.00
Eastern Dairies 6% 1949		66.00	....	66.50
Famous Players 6% 1948		90.75	92.50	90.50
Federal Grain 6% 1949		74.50	77.00	75.00
Firestone Tire 7% 1937		100.00	....	99.50
Fraser Co. 6% 1950	F	40.00	42.50	41.00
Galt Brass 7½% 1941	F	26.00	....	26.00
Gen. Steel Wares 6% 1952		75.50	77.00	76.00
Great Lakes 6% 1950	F	42.50	44.50	40.00
Gypsum, Lime & Alab. 5½% 1948		76.50	78.00	74.00
Hamilton By-Prod. 7% 1943		101.00	102.50	100.50
Harris Abattoir 6% 1947		102.00	103.25	102.50
Howard Smith 5½% 1953		93.00	94.00	91.75
Lake St. John 6½% 1947	F	56.00	58.00	55.25
Lake St. John 6½% 1942	F	28.50	30.00	26.00
Loew's Toronto 6% Serial		98.50	100.00	98.50
Maple Leaf Milling 5½% 1949		39.50	41.00	31.00
Massey-Harris 5% 1947		72.00	73.50	72.50
McColl-Frontenac 6% 1949		101.50	103.00	100.25
McKinnon Industries 6½% 1945		99.00	....	98.50
Mercury Mills 5½% 1953		65.00	....	64.00
Minn. & Ont. 6% 1945-50 C.O.D.	F	24.00	25.50	21.00
Price Bros. 6% 1943	F	100.00	....	98.25
Provincial Paper 5½% 1947		95.50	97.25	95.25
Restigouche 6% 1948	F	71.00	73.00	68.00
Simpsons Ltd. 6% 1949		98.00	99.50	97.50
Steel of Canada 6% 1940		106.50	109.00	106.50
Stop & Shop 6% 1947		83.00	....	82.00
Toronto Carpet 6% 1944		98.50	100.00	98.00
United Corpns. 5% 1953	F	77.50	....	77.00
United Gas & Fuel 5½% 1948		88.00	91.00	88.50
United Grain Growers 5/48		81.00	83.00	81.00
United Grain Growers 5½/49		84.00	....	84.00
Wabasso Cotton 7% 1942		90.00	....	88.50
Public Utility Bonds—				
Beauharnois Pwr. 5% 1973	F	50.50	51.75	50.50
Bell Telephone 5% 1955		107.25	108.25	107.25
B. C. Power 5½% 1960		100.00	101.00	100.00
B. C. Telephone 5% 1960		100.75	101.50	100.00
Calgary Power 5% 1960		94.50	95.50	93.25
Can. Northern Pwr. 5% 1953		93.00	94.50	92.50
Dom. Gas & Elect. 6½% 1945		68.00	70.50	69.00
Duke-Price Pwr. 6% 1966		94.50	95.50	94.25
French Natl. Mail SS 6/52		140.00	....	141.00
Gatineau Pwr. 6% 1941 B		87.00	87.75	87.00
Gatineau Pwr. 5% 1956		91.25	92.25	91.00
Maclaren Quebec 5½% 1961		97.25	98.00	96.25
Manitoba Power 5½% 1951		57.00	60.00	58.00
Montreal L. H. & P. 5% 1951		108.25	109.50	108.00
Montreal Tram 5% 1941 July		100.25	101.00	100.25
Northwest. Utilities 7/38		99.00	102.00	98.00
Ottawa Valley Pwr. 5½% 1970		104.00	106.00	103.50
Quebec Power 5% 1968		98.75	99.75	99.00
Rio Tramways 5% 1935		105.00	....	105.00
Shawinigan W. & P. 5% 1970		99.00	99.75	97.25
Shawinigan W. & P. 6% 1937		101.50	102.50	101.50
Southern Can. Pwr. 5% 1955		102.25	....	101.50
West Kootenay Pwr. 5% 1956		104.25	105.25	104.25
Realty Bonds—				
Admiral Beatty 7% 1944	F	23.00	27.00	....
Albert Bay 6½% 1942		62.50	....	62.00
Balfour Bldg. 6% 1943		42.50	46.50	42.50
Bloor St. George 7% 1945	F	37.50	....	37.50
Clarendon Apts. 7% 1946	F	32.00	36.00	31.00
Clarendon Properties 7/44	F	25.50	....	25.00
Dominion Square 6% 1948	F	52.50	54.00	53.00
Eaton Realty 5% 1949		95.50	96.50	95.50
Godfrey Realty 5% 1949	F	37.50	42.00	35.00
General Brock Hotel 6/48	F	28.50	32.50	28.00
King Edward Hotel 7% 1944	F	8.50	....	8.00
London Realty 6½% 1950	F	67.50	70.00	63.00
Lord Nelson Hotel 4% 1947		58.00	61.00	56.00
Mayor Bldg. 6½% 1942	F	41.00	....	41.00
Metropolitan Bldg. 7% 1944		96.00	....	95.50
National Realty 7% 1945	F	24.50	28.00	26.00
Northern Ontario Bldg. 6½/39		90.50	....	90.00
Ontario Bldg. 3½% 1943	F	41.00	42.50	40.50
Richmond Bay 6½% 1947		79.00	....	78.00
Government, Provincial & Railway—				
C. N. R. 4½% 1957 Dom. Gtd.		105.00	105.50	104.75
C. N. R. 5% 1969 Dom. Gtd.		109.25	109.75	109.25
C. P. R. 4½% 1944		89.75	90.50	88.00
C. P. R. 6% 1942		113.75	114.75	114.00
Dom. of Can. 5% 1936		104.75	105.25	105.00
Dom. of Can. 5% 1941		107.75	108.40	107.50
G. T. P. 3% 1962 Dom. Gtd.		90.75	91.50	90.50
G. T. P. 4% 1962 Dom. Gtd.		101.50	....	101.00
Ont. Hydro 3½% 1952 Ont. Gtd.		97.25	98.00	96.50
Ont. Hydro 4% 1957 Ont. Gtd.		99.75	101.00	99.00
Prov. of N. B. 5½% 1950		108.00	....	108.00
Prov. of Ont. 5½% 1946		111.50	112.50	111.25
Prov. of Ont. 4½% 1944		105.50	106.50	105.00
Prov. of Ont. 5% 1948		108.75	109.50	108.25

F—Traded without accrued interest.

Dividends Declared

	Present Annual rate	Amt. this payments	Date payable	Date of record
Acme Gas & Oil	initial	2c	May 15	May 5
Bank of Montreal	$8	$2	June 1	Apr. 30
Buffalo Ankerite	10c	5c	Feb. 15	Feb. 1
Do., extra	...	3c	May 15	May 1
Bank of Toronto	$10	$2.50	June 1	May 15
Beatty Bros., pref.	6%	1½%	May 1	Apr. 14
Belding Corticelli, c.	$4	$1	May 1	Apr. 14
B. C. Telephone, 2nd pref.	$6	$1.50	May 1	Apr. 15
Can. Iron Foundries, pfd.	$3	$1.50	Apr. 30	Apr. 15
Can. Dredge & Dock, pref.	7%	1¾%	May 1	Apr. 19
Can. Hydro Elec. 1st pref.	6%	1½%	June 1	May 1
Can. Industries, com. A	$3.50	87½c	Apr. 30	Mar. 31
Do., com. B	$3.50	87½c	Apr. 30	Mar. 31
Canadian Bronze	60c	15c	May 1	Apr. 20
Do., pref.	$7	$1.75	May 1	Apr. 20
Calgary Power, pfd.	6%	1½%	May 1	Apr. 14
Canadian Converters	$2	50c	May 15	Apr 30
Can. Invest. Fund, ord.	..	3½c	May 1	Apr. 16
Can. Bank of Commerce	$8	$2	June 1	Apr. 30
Can. Invest. Funds, spec. & ord.	...	8½c	May 1	Apr. 16
Dominion Bridge	$2	50c	May 15	Apr. 20
Guelph Carpet, pref.	6½%	1⅝%	May 1	Apr. 20
Humberstone Shoe	$2	50c	May 1	Apr. 14
Imperial Bank	$10	$2.50	May 1	Mar. 31
Inter. Nickel, pref.	7%	1¾%	May 1	Apr. [illegible]
Inter. Utilities, prior pfd.	$3.50	87½c	May 1	Apr. 20
Do., pref. (1931)	$1.75	43¾c	May 1	Apr. 20
Loblaw Groceterias, A & B	$1	25c	June 1	May 14
Do., extra	...	15c	June 1	May 14
Langley's, pref.	...	1¾%	May 15	Apr. 30
Montreal L. H. & Pr.	$1.50	37c	Apr. 30	Mar. 31
Mortgage Corp.	7%	1¾%	May 1	Apr. [illegible]
McIntyre-Porcupine	$1	25c	June 1	May [illegible]
Do., extra	50c	12½c	June 1	May [illegible]
Do., bonus	...	12½c	June 1	May [illegible]
National Biscuit, pref.	$7	$1.75	May 31	May [illegible]
Neon Prod. of W. Can., pfd.	$3	75c	May 1	Apr. [illegible]
National Grocers, pfd.	*	$1.75	May 1	Apr. [illegible]
Paton Manufacturing, pfd.	$7	$1.75	Mar. 15	Feb. [illegible]
Penmans	$3	75c	May 15	May [illegible]
Do., pref.	$6	$1.50	May 1	Apr. [illegible]
Quebec Power	$1	25c	May 15	Apr. [illegible]
Royal Bank	$8	$2	June 1	Apr. [illegible]
Royal Trust	$3.20	80c	Apr. 30	Apr. [illegible]
Russell Motor Car, pref.	4%	1%	May 1	Apr. [illegible]
Simpson, Robt., pfd.	$6	$3	May 1	Apr. [illegible]
Steel of Canada	$1.20	30c	May 1	Apr. [illegible]
Do., pref.	$1.75	43¾c	May 1	Apr. [illegible]
St. Lawrence Flour	$1.50	37½c	May 1	Apr. [illegible]
Do., pref.	$7	$1.75	May 1	Apr. [illegible]
Stop & Shop, pref.	†	25c	Apr. 16	Mar. [illegible]
Southern Can. Power, c.	80c	20c	May 15	Apr. [illegible]
Shawinigan W. & P.	50c	12c	May 15	Apr. [illegible]
Sherbrooke Trust	$6	$1.50	May 1	Apr. [illegible]
Second St. Royalties, pfd.	...	1%	May 1	Apr. [illegible]
Teck-Hughes	60c	15c	May 1	Apr. [illegible]
Toburn Gold	8c	2c	May 22	Apr. [illegible]
Weston, pref.	$7	$1.75	May 1	Apr. [illegible]

†Initial. *On account of arrears.

Listed Bond Quotations

Week Ending April 23, 1934

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1934 High	Low
Mtl. L.H.&Pr. debs.	3	1939	3.98	...	46	45¾	46¾	[illegible]
McNish	6	1948	...	...	3.75	...	4.25	[illegible]
Montreal Trams A .	5	1955	6.59	...	82	...	83½	[illegible]
Unlisted								
Cons. Paper	5½	1961	...	...	25	24	25	[illegible]
Price	6	1943	...	...	98½	...	98½	[illegible]
Can. For. Inv. deb.	7	1949	7.80	...	92	93	...	[illegible]

The Week in Mining

The Tax on Gold

NEVER has the mining fraternity of Canada become so unitedly hostile to Government action as it has to the proposal in the budget to levy $10,000,000 annually, in the form of a ten per cent tax, on gold production.

Whether or not the Government, as now seems probable, will reconsider the drastic legislation, much of the harm has been done.

It is admitted that the tax will not cripple the big producing mines, but in the case of the small producer, who forms the backbone of Canadian mining, and is this year, for the first time in years, beginning to show a profit, the imposition of this tax, which shows no favor to big or small is a serious matter.

But it is not so much the principle of taxing gold under the $30 or $35 per ounce price that is stirring the mining world to unprecedented opposition, as the method of application.

On still another front is the proposition being attacked. It is claimed in well-informed circles that in taxing the production of mines, which, under the B.N.A. Act are the property not of the Federal Government but of the provinces, the Federal Government is taking a step beyond its jurisdiction. In taking an estimated $10,000,000 from the mines, the net income taxable by the province is reduced by a similar amount. At present, the major part of this $10,000,000 is taxable by the province at from six to 10 per cent.

Mining is one of the few industries in Canada which is not seasonable. Mills run 24 hours a day in the producing mines, 365 days in the year. Yet mining officials estimate that the employing power of mines, more particularly, of course, the marginal producers will be seriously handicapped by the proposed levy.

Late this week word came from South Africa that the Government of that country was giving a rebate from taxes paid by the gold mines. It is pointed out here that in the sister Dominion, while the tax on gold amounts to 50 per cent on profits, care was taken in imposing it that the marginal producers, always the greatest employers of labor, would not be unduly hurt. In Canada on the other hand, if the ten per cent federal levy is imposed indiscriminately on low and high marginal producers alike, as was the intention, the total taxes paid by Canadian mines, including provincial, municipal and federal will in many cases reach a figure much higher than the 50 per cent, with no allowances made the marginal producer

* * *

Level Headed Investors

THAT the mining investor is, in the main, a man of good horse sense and level headedness was amply illustrated on the Toronto Stock Exchange last week when despite the fact that mining had been dealt a staggering and totally unexpected blow by the proposed ten per cent tax on gold, investors refused to be stampeded into an orgy of selling which might very well have sent the market reeling to a collapse.

Talk of a panic was rife when the mining exchange opened Thursday morning. There had even been rumors that it would not open. But there was no panic, and the exchange opened. Here's what happened:

Depressed by the weight of accumulated selling orders which had piled up overnight, after first vague word of the tax had been made public, most mining stocks sank to new lows for the year in the early hours of trading. But the day had not ended before the come-back started, and by the end of the week, nearly all the lost ground had been regained.

A typical example of what happened can be found in tracing the reaction of McIntyre, one of the key mine stocks. On the epic Thursday morning of April 19, this stock sunk from a close of $48 the night before to a low of $45 for the day. High for the day was $47. And high for the year to date is $50. The week closed at about $47.

* * *

Budget Leak?

ALTHOUGH the tax on gold production contained in the budget came as a complete surprise to Canada and most Canadian mining men, evidences were seen on the Toronto Exchange which were interpreted by some as indicating that information as to the tax had leaked out a few hours before the budget was tabled in the House of Commons.

Two experienced traders on the floor of the Toronto Stock Exchange noticed that at about 11.15 on Wednesday morning, just a few minutes after the cabinet caucus had risen, a flood of selling orders came from Ottawa. Owing to the limited source of these orders, the gold stocks were not materially affected. It was not until after news of the impost had broken, after the exchange had closed, that any significance was attached to the sudden flurry of selling orders.

Told of the incident, Hon. E. N. Rhodes, Minister of Finance, is reported to have denied any knowledge of how the leak if any could possibly have occurred.

Wanapitei Will Install 15-ton Kennedy Nut Mill

Plans for the installation of a 15-ton Kennedy Nutt Mill are being made by the Wanapitei Gold Synd. for their property 20 miles northeast of Sudbury, according to official word.

The syndicate is planning formation of a new company to take over the properties, on a basis of 500 shares for each of the 1,500 syndicate units outstanding. The new company, formation of which will take place at the earliest opportunity, officials state, will be capitalized at $3,000,000, with shares with a par value of $1.

News of Canadian Mining Investments

Budget's Levy On Gold Staggers Mining World Strong Protest Lodged

Claim Proposed Tax of Ten Per Cent on Gold Over $30 Increases Imposts By as High as 50%—See Marginal Producers Dealt Heavy Blow

CAME AS BOLT FROM BLUE

Wesley Gordon, Minister of Mines, Leads Fight Against Proposed Tax—Effect of Unexpected Action is Felt From Coast to Coast—Report Government to Change Clause—Application Rather Than Tax Itself Resented

Viewing the new Rhodes budget levy of 10 per cent on all the gold mined in Canada as discriminatory taxation against gold mining, the industry has girded itself for what it sees as a fight for its economic prestige as Canada's front rank industry.

Taken completely off its guard, and lulled into a false sense of security by the assurance of no less an authority than the Minister of Mines himself, that the industry would not be touched in the budget, confident that the government was sincere and sympathetic to its development, the industry sent a representative delegation to Ottawa to impress upon the government their claim that it would be a much sounder policy, not to impose a production levy, but to stimulate mining, to encourage exploration and development, until the industry had reached the stage when profits would be a fertile source of government revenue.

Gordon at Quebec

Not only by his reaction, but by his pre-budget public utterances, did the Minister of Mines make it clear he was not in favor of so seriously hampering Canada's gold mining industry. In an address to the Canadian Institute of Mining & Metallurgy at Quebec recently, Mr. Gordon had been unequivocal in his opposition to further adding to the tax burden of mines. What was the better course he had asked. To maintain stable taxation and thereby afford greater development for Canada's gold resources, with consequent greater return to the Dominion's exchequer, or to discourage this development by thinking up ways and means of deriving greater taxation from the industry?

The mining industry's leaders realize that the Bennett government is hard pressed for finances and that the logical place to levy taxes is where prosperity exists. These men also realize that necessity knows no law and resign themselves to the fact that revenues have to be raised and that it possibly is not unnatural to turn to gold mining the goose that has been laying the golden egg, despite hard times. The complaint among the mining men rests more with the ill considered application of the tax rather than the necessity for its collection.

Principle at Fault

That it was ill-considered and wrong in principle and involved phases he did not understand is now the admission of Mr. Rhodes to the deputation of prominent mining men that waited on him following the imposition.

In a recent exhaustive analysis of the tax problem as it affects mines, made before the present 10 per cent Rhodes tax, and presented to the annual meeting of the Canadian Institute of Mining & Metallurgy. Balmer Neilly, assistant to the president of Porcupine McIntyre Mines pointed out that Dominion and Provincial taxes, per ton of ore treated, rose in the following way:

1931	43½ cents.
1932	59 cents.
1933	81¾ cents.

Increases 260 Per Cent

In other words, the tax in two years increased 260 per cent. Worked out as a percentage of the dividends, or direct return to shareholders, in 1931, 12.3 per cent of the dividends went in taxes, in 1932, 17 per cent, and in 1933, about 21 per cent.

In the case of McIntyre, Mr. Neilly stated the tax on real profits gathered by municipal, provincial and federal governments amounted to over 32 per cent, by far the highest tax paid by any basic industry.

One of the highest taxed mining countries in the world is South Africa, where a levy of about 50 per cent is made on profits, with certain allowances and modifications for marginal producers. It must be borne in mind that mining conditions in that country are not comparable with those existing in Canada, inasmuch as the mineral is found in reefs, and is capable of being measured before the mine invests money in development. But despite the added hazards which face Canadian mines, the total tax imposed, if the ten per cent levy were allowed to pass Parliament, would, added to 32 per cent estimate of Mr. Neilly's, be well over the 50 per cent figure.

Tax Equals 1933 Profit

What the tax would mean to dividend receivers, can be estimated by taking the case first of Canada's lowest grade producer, Howey Mines, which also is Canada's lowest cost producer. This mine, last year showed gross earnings of $1,153,270 with an average price of $28.50 per ounce for gold. Its profit amounted to $155,277.

Under similar operating conditions, and with gold at $35, this mine stood to make this year a profit of about $417,277. Deduct from this the proposed ten per cent levy, this profit would be reduced by $141,610, or by a figure almost equivalent to its total profit in 1933.

Now take Canada's highest grade producer, the Parkhill Gold Mines, which is struggling to show a profit. Despite the fact that the ore treated by this mine in 1933 averaged $16.88 per ton in gold, it little more than broke even. With gold at $35 an ounce, and without the imposition of the tax, this mine would stand to make in 1934 a sorely needed profit of $56,000, after showing a deficit since it started operations in July, 1931. With the tax, however, the profit would fall to about $26,000, thus illustrating the argument of mining that the proposed levy would reap a tax on profit of, in this case, 54 per cent.

Lure of Big Reward

Probable basis for the scant sympathy which the mines are getting in many quarters is the widespread fallacy that profits of mining are exorbitant, said one mining engineer. The factory worker, the farmer, the industrialist and other laymen, seeing the results of their labor taxed to the uttermost, envy the gold miner. They do not consider that if it were not for the rich rewards gained by a few big mines like Hollinger, Lake Shore, Dome and McIntyre, nobody would ever take the enormous chances which any sort of mining investment involves. It is the very lure of the big reward, so seldom reaped, that is responsible for the existence of an industry which benefits, directly or indirectly, every man, woman and child in the Dominion. The present is the first period in Canadian mining history when a workable profit is evidenced by the rank and file of Canadian mines.

In their vehement opposition to the tax, mining men, as judged by views expressed to The Financial Post, are by no means blind to the fact that public clamor was for taxing gold mines. On the surface, what was more logical, in view of the government's dire need for money, than to tax the comparatively large margin of profit presently enjoyed by mines?

Pros and Cons

In support of the tax it is argued that it is no more a discrimination to tax gold than to tax gasoline, sugar, cosmetics, cheques, etc. To which mining men reply that in the cases cited, the incidence of taxation is passed on to the consumer. In the case of gold this cannot be done.

Other points made by defenders of the tax:

The tendency has been to mine lower grade ores, not to increase production under $35 gold. So that the tax may work to alter grade more than to alter production.

There never has been a year in which Canadian mines got $31.50 an ounce for gold.

The price of gold may rise to absorb the tax, so that the net price may still be $35 an ounce.

Any tax at all on gold is going to affect some marginal producer.

If Canada's dollar declined in New York, the price of gold would go up, thereby lightening the tax. Whereas rise of the Canadian dollar would cut the price of gold, bringing the tax down.

By a general profits tax, say mining men, gold mining in common with all other industries would make its contribution to the coffers of the government and the fifteen mines that are now on a profitable basis and are paying dividends would contribute their share without penalizing the small producer or the marginal producer who is trying to get established. Then too, they say, is the case of the base metal producer who is able to survive present day ruinous base metal prices due to the associated gold recovered,

Mines Not All The Same

The chief objection that is raised by mining men to the tax is that it is indiscriminate and places all gold mines in the same class. By simple arithmetic they show that with Canada's 109 gold producers and near producers there are only 15 dividend payers, three of which were added this year when the $35 for gold prevailed. They argue that it is just as absurd to levy an income tax on rich and poor alike. The virtue of the new production tax rests only in its simplicity, avow the gold producers. What could be simpler than taking 10 per cent of the gross? This leaves more than the mines received in 1933, say the proponents of the levy, and this prompted the greatest profit being made in Canadian gold mining history. The answer of mining men is that about ten leading mines contributed about 80 per cent of the total gold production. It was the leadership and profits of these mines that gave the incentive to the wide search, development and construction programmes which have been instituted in the past couple of years and which has been so productive in bringing in new producers. Dozens of properties that have lain idle for many years, due to the low-grade nature of the ore, are now receiving attention on the promise that a profit exists with gold at $35 per oz. These marginal producers are for the most part large low-grade ore bodies that require large sums to be brought into production and once in production will employ much more labor than the present high-grade dividend-paying mines.

The following tabulation shows the margin of profit available with varying grades of ore, and what the tax means to producers treating about 125 tons daily or 4,500 tons annually with costs premised at $6 per ton.

Ore grade (gold $20 oz.)	Ore grade (gold $35 oz.)	Gross value	Profits (gold $35 oz.)	Tax 10 per cent	Tax per cent profit
$4.00	$7.00	$315,000.00	$ 45,000.000	$31,500.00	70.0
5.00	8.75	393,750.00	123,750.00	39,375.00	31.8
6.00	10.50	472,500.00	202,500.00	47,250.00	23.3
7.00	12.25	551,250.00	281,250.00	55,125.00	19.6
8.00	14.00	630,000.00	360,000.00	63,000.00	17.5
9.00	15.75	708,750.00	438,750.00	70,875.00	16.15
10.00	17.50	787,500.00	517,500.00	78,750.00	15.2
11.00	19.25	866,250.00	596,250.00	86,625.00	14.5

Nobody would deny that $31.50 gold, which would be the net price after the proposed tax had been deducted, would still leave a margin for the established operators, as compared with the profit possible under the old $20.67 per ounce price. In their arguments against the tax, mining men point to the fact that high gold prices inevitably precede high commodity prices, and that accordingly an increase in the cost of gold production will be, and has, to a certain extent, already been felt.

No sane mining man is suggesting that the new tax will cripple the existing profitable mines, but they foresee a much graver danger and one that cannot be measured in dollars in the psychological effect it will have on the exploration for and development of new mines. Capital and aggressiveness are wary creatures, and mining men know that unless the prize is large, like at the Casino, there is nothing to attract the chance. Authoritative figures have been given which show that every dollar's worth of gold mined in Canada to date has cost a dollar to win. Confidence must be established in order that discriminating legislation will not be imposed, or the effort is not worth while, say mining men.

What of Conservation?

Of real importance too, is the fact that every dollar added to the cost of producing an ounce of gold, means that conservation of natural resources in the shape of ore reserves is defeated. The largest gold producer in Canada, Lake Shore Mines, actually made less profit in 1933 than it did in 1932; not that the operations were curtailed, but that in the interests of conserving a wasting asset, lower grade ore was treated, which had the effect of immeasurably adding to the life of the mine and giving employment to a community that had a big investment in its homes and businesses.

Millions of tons of ore had been made available by the higher price for gold and every added dollar value in this ore adds just that much longer life to the taxpaying existence of the community. The estimated result is that the aggregate tax collected by the present machinery of taxation would be greater than if quickly taken by high taxes, which boost costs and shorten the productive life.

Rhodes Explanation

Hon. E. N. Rhodes's explanation of the levy in his budget address is as follows:

"To replace the revenue lost by the reduction in the tax on sugar, it is proposed to levy a tax of 10 per cent on gold. In this connection one must keep in mind the fact that since our abandonment of the gold standard, the price of gold in Canadian currency has risen from $20.67 an ounce to approximately $35. This is an increase in the selling price of the product of our gold mines of about 70 per cent. Furthermore, the extraordinary increase in the profits which accordingly accrue to gold producers finds its origin in circumstances entirely external to this particular industry. That is to say, the reason for this increase in price is to be found in the chaotic conditions of world currencies, the depreciation of our dollar in the foreign exchanges and the devaluation of gold by certain countries.

"The proposed 10 per cent tax will be deducted from the proceeds of all gold deposited at the Mint for sale. On such gold as is unacceptable for treatment at the Mint and is exported, the tax shall be collected under regulations to be made by the Governor-in-Council. In order that the tax shall not apply when the conditions giving rise to these fortuitous gains accruing to gold producers have to a degree disappeared, it is provided that the tax shall not operate to reduce the amount paid for gold below $30 an ounce in Canadian currency. In view of the tax the present handling charge incidental to the disposal and sale of the gold will be discontinued.

Alternative Type of Tax

"In announcing this tax, it is perhaps expedient that I suggest in advance a partial view of the circumstances which I believe make this form of tax more desirable than any alternative form which suggests itself, such as, for example, an excess profits tax on gold producers. This aspect of the matter has received the most careful consideration and we are convinced that whilst a tax designed to reach excess profits has certain advantages, the form of the tax as proposed is, on balance, best adapted to meet our particular situation.

"For example, you are aware that many of our mines in Canada in the process of producing gold, produce other metals as well, and that in some other mines where base metals are the major products, considerable gold is recovered in the process. The difficulty which would arise in such cases in the levying of an excess profits tax would be that of determining for taxation purposes the profits due to the increase in the price of gold. The proposed tax avoids this difficulty. It may also be emphasized that the tax will be extremely simple in administration and can be collected with a minimum of cost. An excess profits tax, on the other hand, would necessarily be more complex and would involve additional expense and administrative machinery. Furthermore, the present tax will immediately return substantial revenue, while a tax on profits, unless made retroactive, would not provide additional revenue for the current year.

Effect on Gold Mining

"Against the contention that the proposed tax will injure the gold-mining industry, it can be asserted that little if any of our production is obtained at present on such a narrow margin of profit as to be vitally affected by the proposed tax. Also, there is good reason to believe that many of the recently discovered bodies of ore are such that profits would be realized even if the price of gold were at the usual $20.67 level, the price under which, I may point out, we attained the position of second largest gold producing country in the world.

"Finally, it is believed there can be no legitimate objection to a tax which will operate merely to establish a market price for gold of approximately $31.50 an ounce fine under present conditions, especially when it is remembered that the average price received by our gold producers during the last calendar year was only $28.72 an ounce. This was a year, as you are aware, of great prosperity in the industry and of intense activity in the exploration and development of gold-mining properties."

STORMY MEETING HINTS AT CHANGE IN PANDORA BOARD

Stevenson Bought Shares For Five Cents Which Rose to 80

Annual meeting of Canadian Pandora Gold Mines held in New Liskeard on April 21 proved a stormy affair and much of the company's financial history was thoroughly aired before the shareholders.

The camp was divided into two factions—one headed by Douglas Mutch, deposed consulting engineer of the company who had solicited proxies from shareholders and nominated a board comprising Messrs. Dysart, Cholette, Snider, Taylor, Harvey and Phipps, as well as himself.

The opposing slate was headed by Hon. A. A. Dysart of New Brunswick, G. R. Snider of New York, W. C. Fisher, Toronto, J. E. Cholette, North Bay, Homer Sutcliffe of New Liskeard and L. R. Hume of North Bay.

Stevenson Resigns

C. B. Stevenson, the resigned president, announced the appointment of H. A. Kee as general manager, succeeding Mr. Mutch.

A. Kelso Roberts of Toronto, solicitor for the company, acted as secretary of the meeting. When the final barrage of the opposing group had been fired it was still indefinite as to which group would be in charge of the company. Therefore, the meeting was adjourned until May 28. In the meantime scrutineers are counting the proxies.

Arthur Roebuck, solicitor in Toronto, acted for the faction headed by Mr. Mutch and showered criticism on the old regime headed by Mr. Stevenson for the financing policy pursued in the past. Mr. Stevenson replied that the stock sold in 1933 ranged from 17½ to 85 cents per share and explained that there had been an option on the stock at five cents per share during 1931, 1932 and 1933. This had been taken up by himself, J. W. Brown, the former vice-president and John W. Morrison of Haileybury and Douglas Mutch. Mr. Mutch repudiated this, saying that the only stock he got was at five cents in lieu of money due him. It developed that Messrs. Stevenson and Brown had an option on 400,000 shares for three years at five cents. Notwithstanding this, Mr. Brown said that he was $16,000 poorer than when he went into the company, that he had taken lots of abuse and had not double-crossed anybody.

Option 800,000 Shares

The new financing which was entered into early this year called for an option on 800,000 shares to Financial Agencies Ltd., of Toronto, headed by John Rogers. Under the terms of this option 200,000 shares at 20 cents each were to be taken up by March 15, 1934, and it is understood that in part this is in default. A further 200,000 shares were to be taken up at 30 cents each by June 1, 1934; 200,000 shares at 45 cents each by October 1, 1934, and the remaining 200,000 shares at 65 cents each by December 31, 1934. It is also understood that under the old option agreement 200,000 shares are still outstanding making the issued capitalization approximately 3,300,000 shares out of the 5,000,000 authorized. Of this 2,209,223 shares are pooled until the pool is broken by a majority vote of the predecessor company, Pandora Gold Mines.

The financial statement for the fiscal year ended December 31, 1933 showed that receipts were $84,743 of which the sale of stock brought $75,987.

Costs were shown at $97,407 of which $46,240 were for shaft sinking, drifting and crosscutting.

HOWE SOUND SHOWS INCREASED SURPLUS

Quarterly Report Shows Higher Operating Profits Despite Rising Costs

While the number of pounds of zinc sold had nearly doubled, quarterly report of Howe Sound Co., as of March 31, 1934, shows a reduction in the amount of other metals sold, as compared with the fourth quarter of 1933. On the other hand the gross value of metals sold is considerably higher, being $2,742,321 as compared with $2,363,947 in the last quarter of 1933. Despite an increase in operating costs which jumped from $1,947,541 in 1933 to $2,298,172 in 1934, the operating profit of the company increased from $416,405 to $444,149 in the three month period.

Net surplus, after providing for additional taxes contemplated in the Revenue Bill is shown as being $488,554 for the three months, as compared with a net surplus for October, November and December of last year of $450,157.

Mention is made of the fact that on March 30, a dividend was paid stockholders amounting to 75 cents a share.

New All-time High Value Set By Dome Production

Striking a new all-time high in the value of the production, Dome Mines Ltd. reported the gross bullion value at $1,897,141 for the three months ended March 31, 1934. The estimated net profit was $1,284,785 before depreciation, depletion and adjustments. The mill treated 136,100 tons of ore averaging approximately .4 oz. gold per ton. The receipts from the gold production averaged approximately $34.67 per oz. Development, operating and general costs were $3.85 per ton.

Based on reserves for depreciation and depletion in 1933 earnings for the first quarter are indicated at $1.15 per share or at the annual rate of $4.50 per share against dividends of $1.95 paid in 1933.

McIntyre Dividend 50c For Quarter

McIntyre-Porcupine Mines has announced its regular quarterly dividend of 25 cents per share payable June 1, 1934, to shareholders of record May 1, 1934, together with an extra dividend of 12½ cents per share and a bonus of 12½ cents per share, making the total disbursement for the quarter 50 cents per share, the same as the two previous quarterly declarations.

Wet Gas Strike In South Turner Is Being Studied

Optimistic oil men see a clue to the long sought crude oil pool in the limestone area, in the recent announcement that the limestone and an accompanying wet gas flow had been struck at Highwood Sarcee, most southerly well in Turner Valley.

The strike is considered by oil men to be one of the most significant developments in the history of the valley since Merland No. 1 struck production and opened up the south end of the field to development.

Development in this area is comparatively new. Two or three years ago, chances of striking limestone at any reasonable depth so far south were considered very slim. Highwood-Sarcee penetrated the formation at the moderate depth of 5,360 ft.

Some oil men base their hope that the crude oil pool would be struck on the fact that the further south wells are drilled, the wetter the gas flow seems to become. Whether this argument is sound only time will tell, but developments in this area are being watched with heightened interest.

HIGHER GOLD PRICE GIVES NEW LEASE TO GOODFISH MINE

Report of Work Done Shows Ore Obtained Under New Prices

An official report from the Goodfish Mines shows how the increased price of gold has made the outlook for this property more encouraging. In the No. 1 shaft section some 3,300 ft. of drifting and crosscutting was done. On the first level 200 ft. of ore ten ft. wide assayed $6 per ton with gold at $20.67. On the 300 ft. level 700 ft. of ore was encountered over a 20 ft. width averaging $4 per ton. On the 450, 550 ft. of drifting showed the vein 20 ft. wide averaging $4 per ton, while on the 600 ft. level 400 ft. of drifting showed ore 20 ft. wide averaging $4 a ton.

From the No. 3 or incline shaft, sunk to a depth of 200 ft., following the vein, ore was encountered over the full width of the shaft averaging $12 per ton. Three hundred ft. of drifting east of the shaft on the 200 ft. level gave widths from three to eight feet with assays up to $15 per ton. Two hundred feet of drifting west of the shaft gave approximately the same widths and values.

The No. 4 or incline shaft is 100 ft. deep and located some 800 ft. east of the No. 3 shaft. The vein has been traced from the No. 3 shaft eastward to the No. 4. Future plans call for raising the vertical winze at the 200 ft. level to the surface. This shaft will be continued later for the devolpoment of the section adjacent.

The company's property comprises some 700 acres, about four miles north of the Sylvanite Gold Mines at Kirkland Lake. It is provided with a complete camp and mining plant operated by electric power.

POWER BEING USED BY SMELTER GOLD

Company Reports Supplies For Summer Programme Have Arrived on Property

Officials of Smelter Gold Mines state that all the supplies for 1934 summer programme were delivered on April 11 and that shaft sinking, under power, was resumed on April 14. Previously shaft sinking by hand had been carried to a depth of some 40 ft., and plans call for an immediate objective of 500 ft. A level will first be established at 125 ft. where lateral work will be done. The vein encountered in sinking the shaft is said to average 1.52 oz. gold through bulk sampling of the quartz vein. The vein has widened to six ft. at the bottom of the shaft, say officials, who also report that the tuff, which carried practically no values on the surface has given commercial assays in the wallrocks of the vein at the bottom of the shaft.

Company Well Financed

With the treasury already having some $100,000 in cash, further funds are being provided under the option agreement and officials state that all payments due have been made with a further payment due at the end of this month. At the company's property in the heart of the God's Lake area, Northern Manitoba, communication was recently re-established with the commencement of operation of the wireless station owned by Canadian Airways and the God's Lake Gold Mines.

Report Alpha Mines Dome's New Company

Market gossip last week had it that the new company which Dome Mines is to form to take over the Reid-Authier group of 21 claims in Bourlamaque twp. is to be known as the Alpha Gold Mines. It is reported from fairly reliable sources that the new company will be capitalized at 3,000,000 shares, of which Read-Authier will receive 1,200,000.

An official statement on development work is looked for shortly.

Buffalo Ankerite Mines Declare 3 Cent Dividend

Buffalo Ankerite Gold Mines this week announced a bonus dividend of three cents per share to be paid stockholders of record of May 1, 1934, and payable May 15, 1934.

In February of this year, this company paid a dividend of five cents, making a total of eight cents per share so far this year. In the calendar year 1933, Buffalo Ankerite paid dividends totalling eight cents. In 1932, no dividends were declared.

Index to Mining Stocks

The weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 138.3 for the week ending April 19, as compared with 141.1 for the previous week.

Nineteen gold stocks fell from 135.7 to 132.5, and four base metals stocks from 167.0 to 165.6.

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Hudson Bay Smelting Wipes Out Its Deficit With Profits from 1933

Flin Flon Shows First Profit — Amounts to 31c Per Share

IN FOURTH YEAR

$780,524 is Net Profit Shown After Paying Bond Interest of $299,937

Annual report of Hudson Bay Mining & Smelting Co., premier base metals producer in Manitoba, shows a profit for the first time since commencing operations in the fall of 1930. Net profits totalled $780,524, equivalent to 31 cents per share on the 2,500,230 common shares outstanding after providing for $299,937 bond interest.

The following tabulation gives the consolidated income and surplus account figures for the past two years:

Cons. Income & Surplus Account
Years Ended December 31

	†1933 $	†1932 $
Metal sales	7,422,446	5,406,668
Ore on hand	369,198	282,092
	7,791,644	5,688,760
Less: Previous ore inv.	282,092	210,792
Total production	7,509,552	5,477,968
Miscel. income	*13,152	144,764
	7,522,704	5,622,732
Less: Oper. costs	3,398,809	2,928,248
Frt., ref. & other exp.	1,059,441	966,814
Operating earn.	3,064,454	1,727,670
Less: Bond interest	299,937	329,529
Less reserves:		
Amort. deb. dis.	18,165	18,147
Conting. & taxes	100,000	......
Depreciation	1,865,828	1,678,949
Net profit	780,524	*298,955
Add: Prev. surplus	*597,986	*299,031
Adj. of exch.	87,410	......
Balance forward	269,948	*597,986

* Deficit.
† In United States currency.
* Interest earned.

Times Interest Earned:		
Before depreciation	10.21	5.24
After depreciation	4.00	0.15
Earnings per Share	$0.31	nil
No dividends paid.		
Shares Outstanding as at Dec. 31:		
Com., no par value	2,500,230	2,500,000

The value of the production in 1933 was 37 per cent over that of the previous year, due in part to the increased value of the metals produced and in part to the increased tonnage of ore treated. Operating costs showed a slight increase to $2.11 per ton as compared with $2.03 per ton in the previous year. Bond interest, depreciation and reserves accounted for another $1.42 bringing the total operating cost in 1933 to $3.53 per ton as compared with $3.44 in the previous year.

The depreciation reserve was increased to $1,865,828. The profit this year wiped out the accumulated deficit since production started, leaving an earned surplus of $269,948 to be transferred to the balance sheet.

The liquid position of the company more than doubled and current assets stood at $5,267,325 at the year end as against a funded indebtedness in six per cent convertible bonds of $4,997,700.

The following gives comparative working capital for the past two years:

Working Capital

	$	$
Current assets	5,267,325	2,791,220
Current liabilities	589,862	550,143
Working capital	4,677,463	2,241,077

Mining and concentrating operations increased about 11½ per cent, bringing the daily tonnage of ore mined and treated to 4,400 tons as compared with 3,950 tons in 1932.

The following tabulation gives comparative open pit and underground mining operations for the past two years together with volume of metals produced:

	1933	1932
Open pit mine prod., tons	963,924	872,931
Assay value:		
Gold, oz.	.081	.076
Silver, oz.	1.24	1.05
Copper, %	1.59	1.71
Zinc, %	3.8	3.7
Underground mine prod., tons	640,178	564,294
Assay value:		
Gold, oz.	.088	.099
Silver, oz.	1.28	1.22
Copper, %	1.82	2.39
Zinc, %	4.0	3.7
Metals prod. & sold:		
	1933	1932
Gold, oz.	94,745	82,565
Silver, oz.	1,210,666	933,983
Copper, lbs.	40,941,102	42,158,283
Zinc, lbs.	46,395,736	41,736,600

As in the previous year, about 60 per cent of the ore mined came from the open pit operations which, it is expected, will be terminated in about 1935 or 1936 due to the reaching of the economic mining limit. As a result the underground mine is being prepared to produce the full tonnage after that time. The main hoisting shaft has been extended from the 850 ft. to the 1,170 ft. level with a main haulage established at the later horizon. The No. 3 vertical shaft has also been deepened to 1,170 ft.

Ore Reserves Up

No report was forthcoming about the finding of a new ore body such as had been unofficially reported, but the significant statement was made that notwithstanding the production that has been taken, the ore reserves have been maintained. Inasmuch as production since operations started has totalled some 4,000,000 tons, this, in itself, is equivalent to over 20 per cent of the 18,000,000 tons of ore reserves reported before the commencement of operations.

Efficiency Increased

R. E. Phelan, general manager of the company, reported that minor changes were made all tending towards improving the results. He also commented that there were no major changes made either in the mining or metallurgical plants, but a considerable number of minor improvements, which simplified and cheapened the operations, resulting in a higher efficiency in all departments.

During the year under review $38,030 was spent on construction, while $391,414 was spent on prepaid mining due to the carrying out of the large scale mining development for future underground operations in 1935 or 1936 when open pit operations are suspended.

Suggest Gold Tax Violates B. N. A. Act

That the Dominion Government might be ultra vires in levying, or proposing to levy, a 10 per cent tax on gold production, is the suggestion of several corporation lawyers of Toronto.

It is pointed out that while there is nothing in the B. N. A. Act to stop the Federal Government from levying a tax on earnings or profit, under the same Act mineralized areas belong to the province, and not to the people of Canada as a whole. Accordingly, it is argued, Ottawa has no right to impose an impost on the products of these areas.

INTER. MINING TELL OF FIELD ACTIVITIES

Quarterly Report Details New Developments Over Wide Area

From Our Own Correspondent

MONTREAL.—International Mining Corp., in its quarterly report to shareholders, reports that during the first three months of 1934, the Diesel engine and pumps installation at Santa Maria del Oro Mines was completed and the unwatering of the Cocinera Mine progressed satisfactorily.

The report goes on to say:

"A small gold production was made by the Colorado International Mining Corp., your company's subsidiary, operating the Granite group at Cripple Creek, from leases and company operations above the 2,000-foot level. The Ajax shaft, which is being sunk preparatory to mining ground below the 2,000-foot level, is now 123 feet below this level.

"A study of some of the gold mining areas of the Western States has been carried on for some time and is being continued. A small participation was taken in a company organized to open up the revenue tunnel and to treat gold tailings in the San Juan district, Colorado.

"In California two gold placers and a quartz mine were examined and options were relinquished after examination.

"Your company, with associates, is carrying on two explorations in Canada. In the Chibougamau district of Northern Quebec an option was taken on control of a company which holds thirty mining claims. Preliminary surface sampling has not given encouraging results but some further work will be done this summer in connection with other exploration in this district. In Ontario we are participating in underground exploration of the De Santis gold prospect. Results obtained this spring should determine whether this work will be continued.

"Siamese Tin Mines, Ltd. is carrying on metallurgical tests in the pilot mill built in England, the results of which will determine the future policy of this company. Independent engineers examining the Pinyok mine on behalf of British tin interests returned a report confirming substantially the company's ore reserve estimate.

"Production of Bulolo Gold Dredging, Ltd., from January 1, 1934, to March 31, 1934, was reported as 21,541 ounces of gold and estimated working profit as 14,270 ounces. Two lines of deep drill holes have enlarged the known area of deep gravel. A plan for further equipment is under consideration but is dependent on further deep drilling.

"The net asset value of your company as of March 31, 1934, was $7,966,254.45, or $19.91 per share outstanding in the hands of the public."

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ALORNE CREATES VIABLE RECORD R RAPID GROWTH

Year of Production Shows Net Profits of 24 Cents

MADE ORE FAST

fits of 24 Cents Per Share Give Initial Dividend of 12½ Cents on April 16

Unexpected and unforeseen de- opments of ore at Bralorne nes in the Bridge River area of itish Columbia brought this prop- ty to the fore in the second year its production history faster in 33 than has been reported of any anadian gold producer. Net profits r the second fiscal year ended Dec. 1 last were $236,925, equivalent to 4 cents per share on the 1,000,000 hares outstanding, as compared ith 12 cents per share for the pre- ious fiscal year. An initial dividend f 12½ cents per share was paid from these profits on April 16.

The following tabulation gives comparative income and surplus ac- count figures since operations started:

Income and Surplus Account

	12 mos. ended Dec. 31, 1933	10 mos. ended Dec. 31, 1932
	$	$
Bullion prod.	736,947	418,157
Add: Bullion on hand	......	35,775
	736,947	453,932
Less: Production costs	214,723	144,940
Ship. & delivery exp.	30,208	11,957
	492,016	297,035
Add other income:		
Exchange	......	54,323
Miscellaneous	42,119	1,676
	534,135	353,034
Gross profit	21,090	21,382
Less: Admin. & gen. exp.	403	4,518
Interest		
Depr., bldgs., plant & equip., etc.	31,286	22,300
	60,000	50,000
Ore depletion	120,000	100,000
Devel. & explor.	64,431	85,000
Tax res.		
	236,925	119,834
Net profit	$0.24	$0.12
Earned per Share		

Starting with a mill of 100 tons capacity in February, 1933, the milling rate was stepped up until in October, 1933, 200 tons daily was being treated to give an average for the year of approximately 150 tons. New crushing equipment installed in October, 1933, permitted a further increase of some 50 to 60 tons per day, while the addition of another ball mill and classifier will bring the capacity up to 400 tons. In a supplementary report, R. Bosustow, mine manager, states that in the first three months of 1934 the mill averaged 225 tons daily and comments that it seems quite likely it can be tuned up to 255 with very little capital outlay. The recovery of gold by the mill in 1933 was 94.1 per cent, while the ratio of concentration was 33.2 to 1, the concentrates produced being shipped for smelting. The following tabulation is a production summary since operations started:

Production Summary

Year	Daily Rate	Tons Milled	Recov. per ton	Bullion Value
1932*	106	32,637	$13.90	$452,931
1933	149	54,283	13.58	736,947

Costs showed a further decline in 1933, the total operating costs being $5.98 per ton, as compared with $6.66 per ton in the previous fiscal year. Depreciation and other write-offs totalled $3.90 per ton, bringing the total cost per ton to $9.88, as compared with $11.94 in the previous fiscal year.

Big Ore Find

Mr. Bosustow gives credit to the discovery of the exceptionally good ore bodies west of the No. 1 fault as making possible the increased tonnage and the new "C" vein, discovered on the 8th level, with a strike nearly at right angles to the main King vein. Both of these veins are reported to yield exceptionally well to development work, with the widths and grades of good grade ore of 50 ft. or more found on the King vein and up to 15 ft. on the "C" vein.

Most of the development work was carried out west of the No. 1 fault, principally on the 7th, 8th and 10th levels. Late in 1933 sinking was resumed from the 10th level, with the immediate objective 200 ft. below. As soon as a little more information is gained as to the trend of the ore bodies on the lower levels a main hoisting shaft is to receive consideration.

Big Increase in Ore

In the supplementary report, Mr. Bosustow comments that results in finding ore west of the No. 2 fault have been very gratifying. A new ore body at the extreme west portion of the mine, which is cut off by the No. 2 fault, has been located on the 6th, 7th and 8th levels with excellent grade of ore and an average of about 10 ft. in width. On the 8th level a third fault was encountered at a point 200 ft. west of the No. 2 fault. As a result of the development work during the year, the ore reserves have increased to 230,000 tons, averaging .6 oz. in gold. This is an increase during the year of 200,000 tons, plus the 54,283 tons milled. New developments since the first of the year of 1934 are reported to add a further 50,000 tons of ore.

Post's Calendar Of Meeting Dates

April 26—Noranda Mines, at Toronto.
April 28—Aldermac Mines at Montreal.
April 28—Goldale Mines at Toronto.
April 28—Graham Bousquet at Montreal.
April—Hargal Oils at Vancouver.
April 28—Lake Geneva at Montreal.
April 28—Towagmac at Montreal.
April 30—Bralorne Mines at Vancouver.
April 30—Royalite Oil at Calgary.
April 30—South West Petroleum at Calgary.
April 30—Dalhousie Oil at Calgary.
April 30—Foothills Oil at Calgary.
April 30—Mackenzie Red Lake at Toronto.
May 3—Int'l. Mining Corp. at Wilmington, Del.
May 7—Eldorado at Toronto.
May 8—Dome Mines at Toronto.
May 9—Ashley Gold Mining Co. at Toronto.
May 9—Mining Corp. at Toronto.
May 18—Macassa Mines, at Toronto.

Swayze Rand Mines—Has acquired an option on the Robb property in Barraute twp., Que. A crew is being sent in to test out quartz veins located last season by the owner. First payment on this group was made last week, officials say.

Congress Gold Instals Plant Enlarges Camp

Following a preliminary survey made on the property by T. C. Botterill, engineer in charge, Congress Gold Mines officials announce over the signature of Robt. Wilkinson, managing director, that it has now been decided to establish an up-to-date mining plant and three carloads of machinery were recently forwarded to the property and camp facilities enlarged to take care of 30 men.

The property has been divided into four distinct mineral zones, A, B, C and D, with chief work confined to the A zone. Three tunnels, 135 ft. below one another on the same vein have been started.

H. L. Batten, consulting engineer of the company, reports that work to date suggests the possibility of important tonnage of good grade milling ore and it has been decided to put a small mill on the property at once to test out the ore possibilities.

Operations have been confined to the Gun Creek section, north of its confluence with the Bridge River.

Decreased Revenue Shown From Dalhousie Oil Wells

The eighth annual report of Dalhousie Oil Co., subsidiary of Royalite Oil Co., operating in the Turner Valley field of Alberta, reports a net loss of $8,222 for the fiscal year ended December 31 last, as compared with a profit of $3,026 in 1932. Income from production and royalties totalled $48,860 as compared with $76,546 in the previous year. Operating expenses were reduced, but not sufficient to offset the decreased revenue. Production from the company's two producing wells totalled 13,508 barrels of crude oil and crude naphtha and 45,400,000 cu. ft. of gas as compared with 22,649 barrels of crude in 1932.

The balance sheet of the company showed current assets of $204,424 and current liabilities of $1,054, leaving a net working capital of $204,370 as compared with $180,854 the previous year.

There has been no change in the outstanding capitalization since all of the 3,000,000 no par value shares are outstanding of which Royalite Oil Co. owns 1,530,000.

The annual meeting of the company is called for April 30 in Calgary.

Siscoe Seeks Listing On New York Market

Siscoe Gold Mines is planning to apply for listing of the company's shares on the New York Curb market. Siscoe is already listed on the Toronto Stock Exchange and on the Montreal Curb.

Mining Stock Quotations

Week Ending April 23.

Par Val.	Range 1934 High	Low	Company	Sales	Close Apr. 16 (or last)	High for week	Low for week	Close Apr. 23
1	.06	.01	Aconda	7,300	.02¼	.02¼	.02¼	.02¼
No	.33	.13	Aldermac	45,666	.27	.29	.25	.27½
1	.10	.02¼	Alexandria	108,600	.07	.07	.06¼	.06¼
No	.18	.12	Algoma (new)	22,700	.14¼	.15	.12	.13
1	.04	.01¼	Amity Copper	72,250	.03	.03	.02¼	.03
No	4.00	2.00	Anglo-Huronian	2,076	3.85	4.00	3.50	4.00
1	.08¼	.03	Area	15,900	.05¼	.05¼	.04¼	.05¼
No	.20	.03¼	Arno	4,080	.06	.06	.05¼	.05¼
1	1.25	.90	Ashley	33,252	1.05	1.10	1.03	1.05
1	.60	.04	Bagamac	971,050	.24	.31	.17	.29
1	.04¼	.00¼	Baldwin	107,000	.04	.04	.03¼	.03¼
1	.22	.12¼	Barry Hollinger	44,700	.17	.17¼	.15	.16¼
1	2.05	1.48	Base Metals	9,405	1.70	1.75	1.65	1.67
5	.91	.45	B.E.A.R.	62,250	.65¼	.66¼	.56	.58
1	.51	.30	Big Missouri	28,274	.32	.34	.30	.31
1	.64¼	.23	Bobjo	116,760	.55	.56	.50	.51
No	15.50	9.90	Bralorne	9,626	14.25	14.25	12.50	13.50
1	.16	.09	Brett Trethewey	34,800	.10¼	.12	.10	.11¼
50c	1.40	.28¼	Bridge River Ex.	47,450	1.09	1.40	.90	1.30
1	.09	.01¼	Brownlee	258,500	.04¼	.05¼	.04	.05
1	.02¼	.00¼	Buckingham	23,000	.02	.01¼	.01¼	.01¼
No	.14	.06¼	Buffalo Can.	26,800	.10	.12	.09	.11
5	31.50	23.50	Bulolo	2,665	30.00	31.50	29.75	31.50
No	.05¼	.01¼	Bunker Hill	754,850	.03	.05¼	.03	.04¼
5s	1.20	1.00	B'Wana McKubwa	100	1.20	1.20	1.20	1.20
No	.14	.02¼	Canam Metals	5,000	.08¼	.09¼	.08	.09¼
1	.20	.07¼	Can. Kirkland	116,218	.13	.13¼	.09¼	.11
No	.72	.38	Can. Malartic	10,943	.55	.60	.50¼	.59
1	.02¾	.00¼	Capital Rouyn	57,700	.02	.02	.01¼	.01¼
1	2.85	1.75	Cariboo Gold	8,025	2.20	2.15	1.75	2.10
1	.09	.01	Cartier Malartic	19,400	.06¼	.07	.06¼	.07
1	.81½	.49	Castle Trethewey	36,355	.65	.70	.62	.68
1	.16	.07	Cen. Manitoba	29,000	.10¼	.12	.10	.11
1	.79	.50	Cen. Patricia	163,900	.66	.77	.50	.75
No	.16¼	.05¼	Chibougamau Pros.	215,400	.13¼	.15	.12¼	.14¼
No	.15¼	.09	Church. M. & Mill.	88,050	.11¼	.12	.10	.10¼
No	.14	.08	Clericy (new)	137,642	.10¼	.11	.08	.10¼
1	.03¼	.01	Clifton Cons.	175,900	.02¼	.03¼	.02	.02¼
5	5.75	4.00	Coast Copper	2,435	5.50	5.70	5.00	5.35
1	.06¼	.04¼	Cobalt Contact	49,100	.05¼	.05¼	.04¼	.05¼
1	.94¼	.30	Columario	72,400	.44	.43	.30	[illegible]
5	2.45	1.35	Coniagas	650	2.25	2.24	2.00	2.00
No	1.60	.97	Coniaurum	14,214	1.29	1.35	1.18	1.35
25	170.25	132.00	Cons. Smelters	874	165.00	168.00	163.00	166.00
No	40.50	32.00	Dome Mines	7,506	38.00	39.00	32.00	38.00
No	.07¼	.04	Dom. Explorers	16,800	.05¼	.05¼	.04¼	.04¼
1	.02¼	.00¼	Dominion Kirk.	8,000	.02	.01¼	.01¼	.01¼
1	.02	.00¼	Don Rouyn	......	.00¼	......	......	......
1	.12	.01	Duparquet	42,550	.10	.10¼	.07¼	.10
1	4.35	3.25	Eldorado	27,735	3.55	3.74	3.43	3.55
No	4.15	3.00	Falconbridge	15,590	3.90	3.95	3.55	3.81
1	.11¼	.01¼	Federal	69,590	.06¼	.07¼	.06	.07
No	.07	.02¼	Gilbec	86,400	.05¼	.05¼	.03¼	.05
No	1.75	.70	God's Lake	58,250	1.50	1.53	1.20	1.46
1	.18	.08	Goldale	71,500	.17	.17	.13	.17
10	.57	.16	Goldfield	9,850	.42	.38	.32	.32
1	.43	.30	Goodfish (new)	73,150	.37	.41	.30	.34
1	.18¼	.02¼	Graham Bosquet	104,400	.12	.12	.09¼	.10¼
1	1.09	.60	Granada	63,725	.85	.88	.77	.85
1	1.22	.66	Greene-Stabell	491,640	1.11	1.15	.80	.93
1	.18	.05	Grozelle	1,000	.16	.15	.14	.16
1	.48	.30	Grull Wihksne	28,700	.35	.48	.35	.47
1	1.80	1.44	Gunnar Gold	68,625⅝	1.50	1.75	1.44	1.65
1	.53¼	.30	Halcrow Swayze	122,000	.47	.47	.33	.34
1	.15	.03¼	Harker	351,850	.10	.15	.10	.12¼
1	.02¼	.00¼	Hilltop	33,125	.01¼	.01¼	.01¼	.01¼
5	19.50	11.40	Hollinger	52,258	17.60	18.10	16.00	16.50
1	1.39	.93	Howey Gold	324,560	1.26	1.39	1.01	1.25
No	14.50	9.00	Hudson Bay	5,390	13.85	14.40	13.65	13.80
1	14.25	10.45	Inter. Mining	100	14.00	13.75	13.75	13.75
	6.00	4.00	Do., Pur. Warr.	220	5.75	6.00	5.85	6.00
No	28.50	21.15	Int. Nickel	40,094	27.40	28.50	27.40	28.25
1	.12	.02¼	Jackson Manion	122,300	.09	.10	.08	.09
1	.02¼	.00¼	Keora Mines	35,025	.02¼	.02¼	.02¼	.02¼
1	.73¼	.45	Kirk. Hud. Bay	6,650	.60	.65	.52	.57
1	.05	.00¼	Kirk. Hunton	76,900	.03¼	.03¼	.02¼	.03¼
1	.76	.29	Kirkland Lake	87,325	.61	.63	.50	.61
1	.40¼	.21	Kirk. Townsite	20,006	.30¼	.31	.27	.29
20c	.02¼	.01¼	Koot. Florence	30,000	.02¼	.02¼	.02	.02¼
1	.23	.11	Lakeland	33,390	.20	.20	.17¼	.17
No	.17	.07	Lake Maron	49,600	.10	.10¼	.09	.09¼
1	.08	.01	La Rose	......	.02	......	......	......
1	54.50	42.00	Lake Shore	26,726	52.40	53.75	48.00	53.00
1	.26	.08	Lebel Oro	248,495	.23	.23¼	.16¼	.18
No	.22	.12	Lee Gold	41,100	.17	.18	.15	.15¼
1	3.05	1.85	Macassa	76,581	2.63	2.92	2.25	2.90
1	.08¼	.01¼	Malrobic	252,000	.05¼	.07	.04¼	.06¼
No	.17	.06	Mandy	2,850	.15	.13	.12	.13
No	.04	.02	Manitoba Basin	......	.03¼	......	......	......
1	1.00	.61	Maple Leaf	126,085	.74	.74	.67	.71
5	50.00	39.25	McIntyre	9,335	47.75	48.70	44.75	46.50
1	1.30	1.01	McKenzie R. Lake	39,255	1.09	1.19	1.03	1.13
1	.55	.50	McKinley	250	.55	.50	.50	.50
No	.05¼	.01¼	McLeod River	174,100	.04¼	.05	.04¼	.04¼
1	.73	.39	McMillan	122,050	.67	.71	.61	.68
No	.53	.25	McWatters	36,300	.46¼	.46	.40	.44
1	1.21	.65	McVittie	83,255	.68	.84	.65	.83¼
5	1.50	1.25	Mentor Exp. & Dev.	100	1.25	1.25	1.25	1.25
No	2.47	1.60	Mining Corp.	9,408	2.22	2.25	2.00	2.15
1	.08¼	.02¼	Moffatt Hall	122,775	.05¼	.07	.05	.07
1	.20	.08¼	Moneta	6,300	.12¼	.13	.11	.11¼
1	.04	.01¼	Murphy	62,200	.02¼	.03	.02¼	.02¼
No	.09¼	.02	Newbec	54,000	.06	.05¼	.04¼	.05
1	.06¼	.03	Night-Hawk Penn.	52,500	.04¼	.06¼	.05¼	.06¼
5	2.85	2.30	Nipissing	5,081	2.51	2.55	2.35	2.30
No	44.75	33.25	Noranda	26,934	43.00	43.70	41.75	42.75
No	.54	.29	Nor. Canada	4,300	.41	.40	.35	.35
1	.27	.11	Osisko	3,100	.15¼	.17	.13¼	.13¼
1	.71¼	.36	Parkhill	95,040	.60	.62	.52	.60
1	.06	.01¼	Pawnee Kirk.	60,180	.04¼	.05	.04¼	.04¼
1	.31¼	.19	Paymaster	56,056	.27¼	.29¼	.25	.28
1	1.40	.75¼	Pend Oreille	4,325	1.11	1.15	1.06	1.08
1	.05¼	.02¼	Peterson Cobalt	52,000	.04¼	.05¼	.04¼	.04¼
1	14.15	10.75	Pioneer Gold B.C.	16,080	13.35	13.85	12.50	13.50
1	.08¼	.01¼	Porcupine Crown	159,100	.06	.06¼	.04¼	.06¼
1	.02	.00¼	Porc. Gold Reef	......	.01¼	......	......	......
1	.03	.00¼	Potter Doal	46,000	.02¼	.02¼	.02	.02¼
1	1.75	1.02	Premier Gold	28,525	1.35	1.45	1.26	1.39
1	.06¼	.01¼	Preston E. Dome	151,975	.06	.06	.04¼	.05¼
No	.60	.30	Prospectors Air's	......	.56	......	......	......
1	.70	.50	Quebec Gold	168,310	.70	.70	.50	.59
No	.15	.05	Quemont	100	.10	.10	.10	.10
1	1.25	.27	Read Authier	85,667	.94	1.13	.94	1.02
1	1.29	.87	Reno Gold	53,975	.99	1.09	.90	1.01
1	.02¼	.00¼	Ribago	64,500	.01¼	.01¼	.01¼	.01¼
1	.05¼	.01¼	Ritchie	112,500	.03¼	.04¼	.03	.04¼
1	.11¼	.01¼	Robb Montbray	301,130	.10¼	.11¼	.09¼	.09¼
1	4.10	1.75	San Antonio	91,355	3.80	4.00	3.31	3.99
1	1.45	.99	Sherritt Gordon	35,420	1.22	1.28	1.15	1.22
1	2.64	1.43	Siscoe	179,470	2.45	2.49	2.05	2.36
1	.07¼	.02¼	South Keora	27,600	.06¼	.07¼	.05¼	.05¼
No	.26¼	.10	South Tiblemont	66,800	.12¼	.13	.11¼	.12¼
No	.26	.08¼	Stadacona	115,500	.20¼	.23	.19¼	.22¼
1	.58	.31	St. Anthony	45,750	.52	.53¼	.47	.51
No	2.00	1.00	Sudbury Basin	11,960	1.65	1.85	1.65	1.70
1	.16¼	.07	Sudbury Contact	16,850	.12¼	.12¼	.12	.12
1	.11¼	.00¼	Sudbury Mines	481,750	.06¼	.11¼	.06¼	.11
No	.18	.18	Sudbury Nickel	......	.18	......	......	......
1	.50	.25	Sullivan	23,450	.45	.43	.40	.41
1	3.20	1.29	Sylvanite	149,844	2.85	2.99	2.05	2.84
1	8.05	5.75	Teck Hughes	110,000	7.20	7.70	6.20	6.85
1	.59	.20	Thom. Cadillac	94,023	.51	.54	.43	.53
1	.76	.26	Towagmac	47,882	.64	.67	.58	.62
1	.85	.35	Treadwell	1,850	.60	.73	.55	.64
1	.25	.18	United Kirkland	......	.25	......	......	......
No	.02¼	.01¼	Vacuum Gas	10,500	.02¼	.02¼	.02	.02¼
No	1.12	.77	Ventures	60,090	1.00	1.01	.90	.97
1	.03¼	.01¼	Vickers	71,117	.02¼	.03	.02¼	.02¼
No	1.53	1.10	Waite Amulet	9,572	1.39	1.40	1.25	1.35
50c	.50	.35	Wayside	59,250	.38	.39¼	.35	.38
No	.43	.31¼	White Eagle	101,900	.39	.39	.36	.37¼
1	.07¼	.03¼	White Lake	7,000	.06	.06	.04¼	.04¼
1	.18	.07	Wiltsey Coughlan	26,300	.15	.15	.10	.13¼
1	.20	.05	Wood Kirkland	18,450	.16¼	.16¼	.15	.15
No	10.25	6.75	Wright-Hargreaves	70,950	9.80	9.95	8.50	9.65

Par Val.	Range 1934 High	Low	Company	Sales	Close Apr. 16 (or last)	High for week	Low for week	Close Apr. 23
1	1.20	1.00	B.C. Silver	......	1.00	......	......	......
50c	.29	.20	Butte I.X.L.	19,450	.25	.26	.25	.25
	.23	.20	Can. Rand	70,760	.22	.23	.22	.23
1	2.90	2.00	Cariboo Gold	19,856	2.16	2.16	2.00	2.00
No	10.50	8.75	Coast Breweries	2,965	9.00	10.50	9.15	10.50
1	.40	.21	Congress Gold	57,350	.37	.39	.33	.39
25c	.02	.01	Cork Province	2,000	.01¼	.01	.01	.01
1	.06	.01¼	Dalhousie Mines	35,000	.05¼	.05¼	.05¼	.05¼
	.08¼	.06	Dawson Gold	......	.07	......	......	......
No	2.07	.25	Dentonia	100,265	1.93	2.00	1.55	1.80
1	.45	.28	Dunwell	12,395	.41	.40	.35	.38¼
No	.44¼	.28	Fairview Amal.	100,850	.43¼	.44	.40	.41
1	.12	.07¼	Federal Gold	3,000	.10	.09¼	.09	.09
1	.42	.30	George Copper	300	.32	.32	.30	.32
50c	.02¼	.02	George Enterprise	......	.02	......	......	......
1	.06¼	.02¼	Georgia River	33,900	.03	.03	.02¼	.02¼
50c	.08	.01	Glacier Creek	1,000	.07¼	.07¼	.07¼	.07½
1	.63	.41	Golconda	20,800	.48	.45	.41	.42
5c	.20	.15	Golconda Ex.	900	.17	.16	.16	.16
50c	.63¼	.27	Gold Belt	24,769	.56	.59	.53	.59
50c	.51	.35	Gold Mountain	900	.41	.38	.35	.38
50c	.06	.03¼	Grandview	1,000	.04	.03¼	.03¼	.03¼
No	.35	.16	Grange Mines	36,900	.32	.32	.28	.30
1	.47	.28	Grull Wihksne	128,250	.35¼	.47	.34	.44
No	.16	.08	Haida Gold	11,500	.11	.12	.10	.11¼
No	.29	.24	Hedley Sterling	29,300	.25	.26	.24	.25
1	.09¼	.04¼	Hercules Cons.	683,800	.06¼	.09¼	.06¼	.07¼
No	.28	.07	Home Gold	163,400	.24	.27¼	.22¼	.26¼
1	.02	.01	Independence	......	.01¼	......	......	......
1	.04	.01¼	Indian Mines	4,400	.03	.02¼	.02	.02
1	.15	.10	Inter. Coal	1,000	.10	.12	.12	.12
1	.40	.29	Jack Waite	1,000	.29	.40	.40	.40
50c	.42	.19	Kootenay Belle	13,100	.38	.42	.38	.39
25c	.02	.01	Kootenay King	9,000	.01¼	.01¼	.01¼	.01¼
25c	.01¼	.00¼	L. & L. Cons.	......	.01	......	......	......
1	.01¼	.00¼	Lakeview	15,000	.01	.01¼	.00¼	.01
	2.95	2.40	Little Long Lac	......	2.95	......	......	......
10c	.06	.04	Lucky Jim	1,400	.04	.05	.04	.05
No	.28	.11	Mak Siccar	1,700	.26	.28	.26	.26
50c	.01¼	.00¼	Marmot Metals	8,000	.00¼	.00¼	.00¼	.00¼
10c	.33	.17	Meridian Min.	79,550	.18	.22¼	.17¼	.19¼
5c	.04	.04	Metaline Metals	1,000	.04	.04	.04	.04
No	.85	.13	Minto Mines	438,310	.44	.85	.44¼	.70
50c	.13¼	.05¼	Mogul Mining	27,000	.11	.11¼	.11	.11
25c	.01¼	.00¼	Mohawk	......	.01¼	......	......	......
1	.27	.26	Mont'y Ackerman	......	.27	......	......	......
50c	.46¼	.20	Morning Star	52,525	.43¼	.44	.38	.41
1	.05¼	.01	Morton Woolsey	12,800	.04	.04	.03¼	.04
50c	.06	.04	National Silver	31,800	.05	.05	.04¼	.04¼
1	.13	.05	Native Sons	42,200	.05¼	.06	.05	.05
50c	1.36	.82	Nicola	79,000	1.07	1.05	1.01	1.02
50c	.17	.11	Noble Five	51,700	.14	.14	.11	.11¼
No	.11	.10	Norgold	24,700	.11	.11	.10¼	.10¼
1	.54	.12¼	Pavilion	2,200	.51	.50	.50	.50
1	14.25	11.00	Pioneer Gold	7,216	13.85	13.85	12.50	13.00
50c	.18	.09¼	Porter Idaho	24,000	.13	.11¼	.09¼	.09¼
No	.02¼	.01¼	Premier Border	4,000	.01¼	.01¼	.01¼	.01¼
No	.25¼	.10	Princess Royal	......	.10	......	......	......
1	.05¼	.03	Quatsino Copper	2,000	.05	.05	.05	.05
50c	.19	.12	Red Hawk	3,100	.13	.15	.14	.14
No	.22¼	.10	Reeves McDonald	900	.15	.15	.15	.15
1	1.25	.87	Reno Gold	23,250	.99	1.03	.89¼	1.00
1	.15	.07	Reward Mining	37,500	.08	.10¼	.07	.10
1	.03¼	.01¼	Rufus Argenta	18,500	.02¼	.02¼	.02	.02
1	.05	.02	Ruth Hope	1,500	.03	.03	.02¼	.02¼
1	.55	.37	Sally Mines	6,300	.48	.45	.43	.45
50c	.35	.27	Salmon Gold	84,500	.34	.35	.30	.30
1	.09	.05	Silverado	......	.07	......	......	......
25c	.04¼	.02¼	Silvercrest	207,500	.03	.04	.03	.04
20c	.17	.04	Silversmith	3,500	.17	.17	.15¼	.15¼
50c	.03¼	.01¼	Snowflake	9,500	.02	.02	.01¼	.01¼
25c	.04	.02	Sonora	......	.04	......	......	......
1	.40	.25	Standard Gold	6,100	.25	.36	.25	.35
10	6.60	4.75	Sunshine	......	6.15	......	......	......
1	.28	.20	Sunloch	......	.28	......	......	......
No	.83	.50	Taylor Bridge	32,550	.69	.69	.63	.63
1	.53	.35	Taylor Windfall	24,550	.47	.53	.47	.53
25c	.05	.04	Thurlow Gold	......	.04	......	......	......
5	.25	.20	Toric	......	.20	......	......	......
No	.18¼	.14	Viking	98,700	.18	.18¼	.16¼	.18¼
50c	.28	.04¼	United Empire	10,200	.18	.17	.16	.16
No	3.50	1.40	Vidette Gold	6,175	3.20	3.45	3.00	3.40
No	.27¼	.13	Waterloo Gold	12,700	.19	.19	.18	.18
25c	.04¼	.01¼	Waverly Tangier	246,500	.02¼	.02¼	.01¼	.01
50c	.47	.37	Wayside	38,600	.40	.40	.37	.38
20c	.03¼	.02¼	Wellington	......	.02¼	......	......	......
No	.44	.30	White Eagle	1,800	.40	.40	.36	.37
1	.10¼	.06¼	Whitewater	8,500	.08	.07	.07	.07

OIL STOCKS

Par Val.	Range 1934 High	Low	Company	Sales	Close Apr. 16 (or last)	High for week	Low for week	Close Apr. 23
No	.33	.17	Acme Gas & Oil	103,516	.28¼	.32	.27	.30
1	.20	.09	Admiral	......	.20	......	......	......
1	1.60	1.02	Ajax	5,950	1.23	1.24	1.18	1.21
1	.25	.15	Alta. Pacific	3,500	.18¼	.18	.16	.16
No	.35	.20	Associated	6,850	.24	.25	.23	.24
No	.13	.06¼	Baltac	4,700	.08¼	.08	.07	.07¼
No	1.60	.95	Calgary & Ed.	4,880	1.30	1.32	1.20	1.25
1	.15	.10¼	Calmont	7,300	.12¼	.12	.11	.12
1	.12	.06	Common. Pete.	7,500	.09	.11	.09¼	.09¼
No	.65	.50	Dalhousie	7,785	.53	.53	.50	.51
No	.30	.18	East Crest	3,900	.21	.22	.18	.20
No	.58	.09	Erie Gas	44,150	.50	.53	.45	.47
No	.75	.40	Foothills	225	.55	.51	.45	.45
No	1.90	1.56	Home	6,095	1.68	1.70	1.60	1.67
No	.05	.02	Homestead	......	.05	......	......	......
1	.16¼	.13	Homestead O. & G.	11,400	.15	.15	.14	.14¼
No	.44	.20	Lowery	400	.30	.27	.27	.27
No	.42	.26	Merland	9,800	.32	.27	.26	.27
1	.48	.25	Midwal	4,400	.47	.48	.43	.43
5	.17¼	.09	Nordon	14,500	.15¼	.15	.13¼	.14
No	.09	.05	Oil Selections	34,800	.06¼	.06¼	.06	.06¼
No	.34	.18	Olga Gas & Oil	22,400	.25	.26	.24	.24¼
1	1.10	.75	Petrol Oil & Gas	129	.80	.80	.80	.80
No	19.55	17.00	Royalite	1,629	17.25	17.25	17.00	17.25
1	.13	.07¼	Sarnia Oil	33,900	.07	.13	.08¼	.10¼
No	.17	.10	South West Pete.	......	.11	......	......	......
No	.70	.60	Sterling Pacific	100	.63	.63¼	.63¼	.63¼
No	.97	.65	Wainwright West	17,110	.75	.77	.65	.75
1	.15¼	.10	Amalgamated	9,100	.12¼	.12	.10	.10¼
1	.08	.04¼	Anaconda	8,700	.05¼	.05¼	.05¼	.05¼
No	.12	.05¼	Askalta	16,700	.07	.08	.06	.08
1	.10	.10	Brit. Dominion	......	......	......	......	......
1	.09¼	.05	Crows Nest	2,500	.09¼	.09¼	.06¼	.07
No	.09¼	.04¼	Devenish	3,350	.07	.07	.06	.06
No	.01¼	.00¼	Fabyan Pete	50,000	.00¼	.00¼	.00¼	.00¼
No	.16¼	.09	Freehold	8,160	.10	.11	.09¼	.10
No	.13	.06	Hargal	200	.06	.06	.06	.06
No	.35	.15	High Sarcee	36,200	.23	.27	.21	.25
No	.05	.02¼	Madison	7,000	.02¼	.02¼	.02¼	.02¼
No	.35	.12	Marjon Oil	15,450	.13¼	.14¼	.12	.12
No	.05¼	.04¼	McD. Segur Ex.	......	......	......	......	......
1	.47	.31	McLeod	900	.34	.33	.31	.31
No	.22	.14	Mercury	9,625	.15	.15¼	.14	.15
No	.22	.14	Mill City Pete.	......	.14	......	......	......
1	.33	.21	Model	1,400	.23	.22	.21	.22
No	.18	.06¼	Okalta	4,000	.09	.08¼	.08	.08¼
100	29.00	18.00	Do., pref.	......	......	......	......	......
No	.17	.07	Pacalta Oil	19,000	.10¼	.14	.11	.13
No	.18	.14	Ranchmen's	......	.18	......	......	......
1	.42	.23	Spooner	1,000	.30	.35	.30	.30
No	.11¼	.06	United	3,000	.07	.08	.07	.07¼
No	.37¼	.11	Vanalta	58,000	.29	.37¼	.28¼	.37
1	.20	.16	Vulcan	......	......	......	......	......
1	.22	.16	Wellington Oil	......	......	......	......	......

VANCOUVER STOCK EXCHANGE

(Transaction for Week to April 18.)

Par Val.	Range 1934 High	Low	Company	Sales	Close Apr. 11 (or last)	High for week	Low for week	Close Apr. 18
1	.09¼	.04¼	Alexandria	18,000	.07¼	.07¼	.06¼	.07
25c	.03¼	.01	Bayview	16,500	.02¼	.02¼	.02¼	.02¼
20c	.08¼	.05	Beaver Silver	14,000	.05¼	.05¼	.05	.05
25c	.06¼	.04	Big Slide	......	.05	......	......	......
25c	.03¼	.02	Bluebird	1,000	.02¼	.02	.02	.02
1	3.00	2.10	Bradian Gold	8,079	2.82	2.90	2.60	2.65
No	15.00	9.85	Bralorne	6,553	14.00	14.25	13.00	13.00
1	.48	.20	Bridge River Cons.	224,030	.39	.48	.36	.40
50c	1.15	.28	Bridge River Exp.	82,450	1.10	1.15	1.00	1.00
50c	.27	.23	B.R. Mountain Gold	......	.23	......	......	......
100	99.00	99.00	B.C. Electric, pref.	......	99.00	......	......	......
1	.92	.51¼	B.C. Nickel	24,925	.62	.67	.60	.63

DIVIDEND PAYERS

	Rate	Yield
Acme Gas†	2c.	.....
Ajax Oil	8c.	6.61
Bralorne	12½c.	.....
Bulolo Gold‡	60c.	.....
Coast Brew.	92c.	8.75
Coniagas‡	12½c.	.....
Cons. Smelters	1.50	.....
Dome Mines	1.50	3.94
Falconbridge	5c.	.....
Goldfield Cons.‡*	5c.	.....
Hollinger	.65c. +20c.	5.12
Howe Sound	$3	.....
Int. Coal & Coke‡	2c.	.....
Int. Nickel c.	10c.	.....
Lake Shore	$2+$1	5.66
McIntyre	1.62½	3.49
Mercury Oils	4c.	.....
Merland Oils‡*	5c.	.....
Model Oils	3c.	.....
Noranda‡	$1	.....
Petrol Oil‡*	1c.	.....
Premier	12c.	8.63
Pioneer, B.C.	60c.	4.44
Royalite*	$1	.....
San Antonio†	5c.	.....
Siscoe	12+2c.	5.93
Sterling Pacific Oil‡	2½c.	.....
Sunshine Min.	5+7	.....
Sylvanite	10+5c.	5.27
Teck-Hughes	60c.	8.75
Wright-Har.	40+10c.	5.18

‡Interim. †Initial. *Paid in 1933.

Unlisted Mining Stocks

April 24, 1934

	Bid	Ask
Adanac Gold	.29	.34
Ardeen Gold	.50	.55
Arntfield Gold	.83	.90
Arntfield Synd.	.80	.87
Astoria Rouyn	.05	.07
Bathurst	.06½	.07
Beattie	1.20	1.26
Bidgood	.02	.04
Big Long Lac	.18	.21
Bloom Lake	.28	.34
Buff Ankerite	.185	1.95
Buff. Rouyn	...	.03
Bussieres Min.	.30	.50
Calder Bosquet	.32	.35
Can. Pandora	.24	.28
Can. Radium	.07	.11
Canusa Mining	.05	.08
Car. Coronada	...	.26
Cen. Malartic	10.00	12.00
Cent. Swayze	.10	.20
Clover G Units	39.00	43.00
Cochenour Wil.	65.00	85.00
Columario (old)	.19	.24
Continental Kirk.	.07	.10
Coupland Gold	.41	.45
Crown Reserve	.05	.07
Cuniptan	.60	.64
Delta Units	65.00	85.00
Dorval Siscoe Units	20.00	24.00
Dunlop Cons.	.01½	.03
Eagle Oil	...	1.50
Echo Bay Expl.	...	.36
Edgecreek Un.	...	12.00
El Bonanza	.24½	.28
Four Nations	.34	.44
Galatea Units	...	40.00
Glenora Gold	.50	.57
Goldside Units	42.00	52.00
Gold Bar	.16	.18
Grandoro	.55	.54
Greenlaw	.06½	.07½
Gr. Bear Lake	.38	.43
Gabrielle	.55	.60
Hardrock	.43	.46
Herbin Lake Un.	17.00	20.00
Horseshoe	.04½	.07
Huronian M.	.50	...
Internat. Gold	.29	.31
Iroquois Kirk.	...	.20
Island Lake	.13	.15
Johnson Nipigon	.25	.30
Jupiter Gold	19.00	21.00
Keeley	.50	...
Kenty Gold	...	.90
Kirk. Gold	.30	.35
Kow Kash (Tashota)	...	.06
Lake Geneva	.12	.17
Long Lac Adair	.24	.27
Long Lac Lag.	.20	.25
Lamaq. Contact	.24	.28
Lamaque Gold	1.90	2.05
Little Long Lac	4.50	4.60
McCarthy Webb	...	.12
McL. Cockshutt	.44	.48
Manco Gold	.28	.33
McCuaig R. Lake	.29	.34
Man. & Eastern	.24	.26
Makwa Cham.	.34	.36
Matachewan Can.	.17	.20
Mecca Gold	...	.22
Metals Develop	.04	.06
Minefinders	2.00	2.75
Martin-Bird Un.	16.00	18.00
Miller Indep.	.38	.42
Mint Ore	.03	...
Moss Mines	.04	.06
Mont. Acker	.29	.33
N.A.M.E. Units	7.00	...
Normetal Mine	.50	...
North Shore	.25	.30
Northl'd Pros.	...	350.00
O'Connell Gold	38.00	42.00
Peninsular Pet.	.00½	.01
Pickle Crow	.80	.85
Pontiac Rouyn	.45	.53
Powell Rouyn	.95	1.00
Que. Eureka Un.	12.00	15.00
Queen Lebel	.12	.15
Red Lake Gold	.37	.41
Rice Lake Units	11.00	14.00
Rubec	.03	.03¾
Senneterre Gold	9.00	10.00
St. Paul Silverad	.37	.43
Sequin Rouyn	...	.35
Silveradium U.	175.00	200.00
Silver Valley	...	.15
Smelter Gold	.32	.34
Sourdough Un.	8.00	...
Sun Bear	...	.20
Swayze Contact	.14	.18
Swayze Rand	.12	.15
Talisman Gold	.25	.28
Tashota Goldfield	.40	.45
Tiblemont Island	.85	1.00
Titurno Units	...	28.00
Toburn	1.60	1.70
Tudhope M. Syn.	21.00	25.00
Tyrrell Tp. McN.	...	40.00
Vermil. L. Sh. Un.	18.00	22.00
Vipond	.50	...
Wendigo	.50	.55
Wingold	.50	.55
Young Davidson	.33	.43
Yellow Knife	.27	.33

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

GREENE-STABELL ON PAYING STRIDE SEEKING NEW ORE

Quebec Mine Now Treats 70 Tons of Ore Daily—Electric Power Soon

Greene-Stabell Mines, in the Siscoe area of Quebec, has now struck a profitable stride and is currently treating about 70 tons of ore daily, The Financial Post was officially informed. Production to the first of April totalled some $61,000, of which about one-half was recovered in the cyanide circuit and the balance contained in the concentrates shipped to the Noranda smelter for treatment.

A brick valued at approximately $24,000 is to be sent to the mint about the first week in May, following the resumption of airplane transportation.

Metallurgical Trouble Solved

As is generally the case in tuning up a new mill, minor metallurgical problems were confronted which required working out in order to get satisfactory extraction. At the present time extraction is running about 89 per cent. It is anticipated that this will be further improved. It is thought unlikely that any attempt will be made to boost the mill tonnage above the present capacity of 70 tons daily until electric power is made available. The power contract has been signed and the transmission line is under construction as an extension from the Cadillac area and it is expected that power will be made available by July 1. At the present time the mill is operated by Diesel power.

Crosscut 1,000 ft. South

Last week the crosscut 1,000 ft. south, on the 600 ft. level, to the contact zone with the granodiorite had penetrated the area and is to be extended on southward, where it is anticipated it will encounter the mineralized zone cut with diamond drilling. In this zone the formation is said to be the same as the adjacent Siscoe property in which it finds the high grade ore.

Production has been taken from the area developed several years ago in which H. A. Kee estimates at least 50,000 tons of ore averaging $16 per ton, with gold at normal value.

Officials are very hopeful of the new area now being entered with the crosscut on the 600 ft. level, and in a short time it is expected that tangible results can be announced.

A financial sheet presented at the time of listing the shares on the Montreal Curb showed that current assets of the company on December 31, 1933, were $83,462. Current liabilities were $61,200, including $42,900 advanced by Harker Gold Mines. All of the $3,000,000 capitalization has been issued. Development expenditures on the property totalled $304,456, including $72,648 as spent in 1933. Plant and equipment is shown at $173,460, including additions made during 1933 totalling $156,374.

John E. Hammell is president of the company and Ben. Budgeon is mine manager.

LOW COSTS SHOWN BY BASE METALS FREE FROM DEBT

Report Four Years Supply of High-grade Ore

A directors' report reviewing the affairs of Base Metals Mining Corp., and financial statement covering the four year period ended December 31, 1933, shows that while a loss accrued for the period that the company is now on a profitable basis, enjoying low costs and free from debt.

Owing to the low prices for lead and zinc the company suspended production at its property near Field B.C., late in 1930, after a few months operation. In the interval to last August development and shut down expenses made it necessary to contract loans to the extent of $289,975. These loans were liquidated in 1933 by the lenders taking down shares in the company in full payment. In addition treasury shares were sold for cash bringing the total issued capitalization to the end of 1933 to 2,321,848 shares as compared with 2,000,005 at the end of 1929.

The following are the income and surplus account figures for the four year period:

Income & Surplus Account Four Years Ended Dec. 31, 1933

	$
Production	463,750
Less oper. expense:	
Mining & milling	337,148
Adminis. & general	156,176
Operating loss	29,569
Miscell. income	2,272
	27,297
Less: Incorp. exp. w/o	15,673
Depreciation	87,812
Loss for period	130,782
Previous surplus	29
Deficit to balance sheet	130,754

Low Operating Costs

Starting July 1, 1933, work was concentrated on rehabilitating the mill and mine for the resumption of operations. Milling started on August 9, 1933 and up to December 31, 1933, 30,612 tons of ore was milled, assaying 1.99 oz. in silver, 13.5 per cent lead and 14.6 per cent zinc. The total cost of milling including overhead and depreciation was $1.32 per ton.

Development footage totalled 428 ft. and was productive of placing more ore in sight than was milled in the period. The total ore reserves as at December 31, 1933 were 434,600 tons averaging 2.4 oz. of silver per ton, 14.6 per cent lead and 17.2 per cent zinc. The total mining costs including overhead and depreciation was $1.04 per ton of ore trammed to the mill.

The balance sheet as at December 31, 1933 reported current assets of $94,325 and current liabilities of $63,707.

Thompson-Cadillac Mill Not in Sight Last Week

Notwithstanding the publicity that has been given to the arrival of the Thompson-Cadillac Mines mill at the property in Cadillac township, Quebec, the mill had not yet arrived last week. When The Financial Post representative was in the area last week the mill equipment was not in evidence.

Acme Gas & Oil Declare Dividend

Directors of Acme Gas & Oil Co. have declared an initial dividend of two cents per share, payable May 15, 1934, to shareholders of record May 5.

February 28 last directors announced that consideration was being given to the payment of a dividend, the date to be announced later. Earnings at that time were reported running at about $10,000 per month, with the result that the company's cash and liquid position had been increased to approximately $165,000. At last report the outstanding capitalization was 2,012,732 shares, which will call for the disbursing of some $40,254.

RADIUM INDUSTRY STARTS IN CANADA ELDORADO SHOWS

Great Bear Lake Mine Produces 3,021 Milligrams in 1933

Seventh annual report of Eldorado Gold Mines, covering the fiscal year ended December 31, 1933, reflects the first production of radium in Canada extracted from the company's properties at Great Bear Lake discovered in 1930. Production amounted to 3,021 milligrams of radium in finished form of 98 per cent average concentration, won from 58 tons of pitchblende treated. In addition there was produced 34,940 pounds of uranium salts and approximately 22,750 ounces of silver. The gross value of the company's entire 1933 production is reported at $93,104 of which silver accounted for $8,509. At the year end there was also 1,500 milligrams of radium in process.

The operating statement does not give a true picture of the year's operation since it represented the initial production effort, but it is significant that while the gross revenue from production was $93,104, principally radium, the operating costs at the Port Hope radium refinery were $32,605. Expenditure at the property at Great Bear Lake was $92,702, while administration and general expenses were $14,600. Deducting the value of the production and income from dividends and interest left a net loss for the year of $62,188.

Assets Show Gain

A substantial gain was reported in the current assets of the company from $211,298 in 1932 to $656,287 at the end of 1933. Of the increase, accounts receivable jumped from $79,205 at the end of 1932 to $283,637 at the end of 1933. Part of the increase in the current assets reported is attributable to the sale of groups of claims to other interests and to the increase in the issued capitalization of the company which has increased by 111,618 shares to 2,980,000 shares out of the 3,000,000 shares authorized.

In commenting on developments at the LaBine Point property at Great Bear Lake, Gilbert LaBine, vice-president of the company, reports that 429 ft. of drifting was done on No. 2 vein which disclosed an ore shoot 200 ft. long by four ft. wide containing 30 ounces of silver per ton as well as important quantities of pitchblende in the form of lenses of and finely disseminated values. Drifting for 399 ft. along a vein parallel to the No. 2 vein was of an exploratory nature and was not productive of finding commercial values.

Late in the year a 25-ton concentrator with a crushing capacity of 75 tons daily was erected at Great Bear Lake. Milling to date is reported as being of an experimental nature.

The radium refinery at Port Hope, Ontario, was designed for a capacity of from three to four tons of pitchblende per week, and the report states that at no distant date it will be working to capacity.

Commenting on the company's policy, Mr. LaBine reports that during the past year efforts have been confined to the development of the LaBine Point property and particularly to the most favorable pitchblende areas, because of the low price for silver and the necessity for having sufficient pitchblende available to keep the radium refinery operating.

MAPLE LEAF MINES OPTION NEW CLAIMS

O'Leary Malartic Mines Property To Be Explored

Maple Leaf Mines has taken a working option which if fully exercised will give it control of O'Leary Malartic Mines Ltd., incorporated in December, 1928, with a capitalization of $3,000,000 in $1 par value shares. Of these approximately 1,500,000 shares are outstanding. Under the terms of the agreement Maple Leaf has an option on approximately 2,300,000 treasury and vendor shares, and has been given representation on the O'Leary Malartic board, by the election as directors of Carl Erickson, as managing director, and F. W. Purdy, also a Maple Leaf director.

The company has two properties in Northwestern Quebec. One in Malartic Twp. and one in Boischatel Twp. Surface work only has been done, which has shown favorable mineralization. Immediately after the spring break-up surface examination will be resumed as a preliminary to diamond drilling. On the Boischatel property a zone 30 ft. wide has been traced and it is hoped that drilling will indicate a low grade showing of important dimensions.

Metal Prices

New York—April 24—
Copper: Electrolytic spot and future, 8½c.
Silver: 43¾c.
London—April 24—
(Long Ton)—
Copper: Electrolytic spot, £36 5s; future, £36 15s.
Standard spot, £33 5s; future, £33 10s.
Tin: Spot, £240 12s 6d; future, £238 5s.
Lead: Spot, £11 10s; future, £11 15s.
Zinc: Spot, £15; future, £15 5s.
Silver: 19⅛d per ounce.
Gold: 135s 11d.
Canada—April 24—
Gold: $34.85.

GRANBY'S REPORT SHOWS NET PROFIT 18 CENTS A SHARE

Gain of $79,567 Contrasts With Loss of $1,845,821 Year Before

Annual report of Granby Consolidated Mining, Smelting and Power Co. for the fiscal year ended Dec. 31, 1933, shows a net profit of $79,567, equivalent to 18 cents per share on the 450,001, $100 par value shares outstanding, as compared with a loss of $1,845,821 in the previous fiscal year.

The following tabulation gives comparative income and surplus account figures for the past two years:

Cons. Income & Surplus Account Years Ended Dec. 31

	†1933	†1932
	$	$
Gross val. of prod.§	^3,712,102	^3,591,853
Less: Oper. costs§	2,689,637	2,583,654
Gross prof. from oper.	1,022,465	1,008,199
Add: Non-oper. rev.	172,405	266,584
Net earnings	1,194,870	1,274,783
Less: Insur., taxes, admin. exps., etc.§	786,740	788,504
Depreciation	453,770	498,955
Depletion	12,449	......
Misc. equip. inv. w/o		
Res. for cont. loss on metal invent.	......	1,833,145
Portion cont. res. restored	137,657	......
Surplus for year	79,568	*1,845,821
Less: Prev. deficit	4,517,201	2,671,380
Add: Profit shs. sold	57,088	......
Deficit carried for'd	4,380,545	4,517,201

*Deficit. †Consolidated statements of The Granby Consolidated Mining, Smelting and Power Co., and subsidiary. ^Comprising increase in inventories plus difference between metals sold and purchased.

Earnings per Share:		
Before depr. & depl.	$2.65	$2.83
After depr. & depl.	0.18	....
Paid in return of capital	....	0.12½
Shares Outstanding*	450,001	450,001

*Nearest share.

A further curtailment in the production to the lowest tempo of operations in the past ten years resulted in the production of 34,459,581 pounds of copper, 266,155 ozs. of silver and 5,231 ounces of gold. All the production was from the Anyox property of the company situated on Observatory Inlet, 90 miles north of Prince Rupert, British Columbia.

During the year, 1,534,200 tons of ore was treated by the concentrator, averaging 1.31 per cent copper. The net cost per pound of copper refined after all credits for gold and silver and miscellaneous income, but exclusive of depreciation and depletion, was 6.74 cents per pound. The average cost, including depreciation and depletion, was 9.04 cents per pound, but applying the reserve set-up in 1932 for contingent loss on metal inventories reduced the value to 7.1 cents per pound. No statement of tonnage of copper inventory is made, but the balance sheet shows the inventory as valued at $7,289,785 or approximately 80,000,000 pounds of copper.

Although owning a property at Allenby, B.C., only the Anyox property, including the Hidden Creek Mine and the Bonanza Mine, was in operation. The decrease in the ore reserves of these two properties during the year amounted to 612,361 tons, leaving the recalculated reserves as at Dec. 31, 1933, at 3,426,700 at the Hidden Creek Mine and 138,131 at the Bonanza Mine. At the Copper Mountain Mine, near Allenby, the reserves are estimated at 9,885,069.

The balance sheet as at Dec. 31, 1933, shows current assets of $6,293,321, including a metals inventory less reserve of $5,647,698. Current liabilities total $978,671, leaving a net working capital of $5,314,650, as compared with $3,652,688 at the end of the previous fiscal year.

At the Mines

B. C. Nickel Mines—Officials of this mine announce that three shifts will be started on each tunnel and that diamond drilling operations will be increased. The main tunnel is in about 1,185 ft. and No. 2 tunnel about 499 ft. The power possibilities of Silver Creek are being investigated.

* * *

B. R. X. Gold Mines—The shaft on this mine is expected to be down to a depth of 100 ft. by the end of this week, officials report. It had reached a depth of 75 ft. on Thursday of last week, and sinking is being carried on at a rate of from four to five ft. daily.

* * *

Central Patricia—The new 50 to 60 ton mill will start within the next few weeks, The Financial Post is informed. Initial milling is likely to be about 30 tons daily until operations get tuned up.

* * *

Engineers Exploration Co.—Arrangements for diamond drilling have been completed by this company for its property in Destor twp. Under present plans, 2,000 to 3,000 ft. will be drilled. Surface operations have been under way all winter.

* * *

Gold Eagle Gold Mines—Is planning a development programme on McKenzie group of 24 claims on McKenzie Island, in the Red Lake area, according to an official statement. [illegible] diamond drilling, in which seven holes were sunk.

* * *

Grange Mines—Work on this mine, formerly the property of Big Slide, is reported, [illegible] going ahead rapidly, it is reported, [illegible]

* * *

Jackson Manion Consolidated Mines—Bids for the increased mill to have a capacity of 100 tons which is planned for this mine, were called for this week. [illegible]

* * *

Kootenay Belle Gold Mines—F. M. Black, director, reports that rich ore [illegible]

* * *

Minto Gold Mines—While announcement of this [illegible]

* * *

Reno Gold Mines—Production in the first half of April [illegible]

* * *

Sanderson-Kirkland Mines—A crew of men, under the direction of [illegible]

PROFIT OF $431,014 FOR ROYALITE OIL SHOWN BY REPORT

Compares With $78,237 Profit in 1932—Shares Earned 80 Cents

The thirteenth annual report of Royalite Oil Co., premier petroleum and natural gas producer in the Turner Valley field of Alberta, reported a net profit of $431,014 for the fiscal year ended Dec. 31, 1934. This is equivalent to 80 cents per share against dividend requirements of $1 per share and compares with 16 cents per share earnings in the previous fiscal year.

The following tabulation gives comparative income and surplus account figures for the past two years:

Income and Surplus Account Years Ended December 31

	1933	1932
	$	$
Gross earnings:		
Gas & oil cons.	13,888	9,671
Gas sold & cons.	*527,287	*539,141
Naphtha sold	792,253	271,896
Crude oil sold & cons.	†2,748	†5,424
Int. on loans & bds.	84,557	76,958
Royalties	1,867	3,719
Pipe line earns. & misc receipts	244,896	190,596
	1,667,496	1,097,405
Operating expenses:		
General, office, etc.	373,469	292,988
Taxes	17,830	36,381
Royalties	47,768	22,403
Sundry exps. & loss	33,426	64,688
	482,493	416,460
Net earn. from oper.	1,185,003	680,945
Less reserves:		
Gas prod. tax	......	34,553
Federal inc. tax	94,961	22,806
Bad debts	......	538
Depreciation	452,292	448,821
Well deplet.	191,488	36,048
Equip. w/o	15,248	59,943
Net profit	431,014	78,237
Less dividends	541,400	750,000
Surplus for year	110,386	*671,763
Add: Prev. surplus	3,074,099	3,521,218
Adjustments	187,823	224,644
Balance forward	3,151,536	3,074,099

*Gas sales only. †Crude oil sales only. *Deficit.

Earnings per Share and Dividend Record:		
Earned	....	$0.16
Paid	$1.00	1.50
Shares Outstanding as at Dec. 31:		
Common, no par val.	542,800	500,000

Most important in the company's income was the greatly increased production of gasoline and crude naphtha. Total petroleum products increased to 273,636 barrels in 1933, as compared with 90,286 barrels in the previous fiscal year. Production was taken from 28 wells, with the principal increase in output due to processing the gas from the wells in an absorption plant after passing through the ordinary separator. In April, 1933, a 75,000 M. cu. ft. daily absorption plant was completed, greatly increasing the efficiency of the recovery of gasoline from the gas. Results were so encouraging that the plant was increased to 115,000 M. cu. ft. of gas daily.

Storing in Bow Island

The policy of storing a portion of the surplus Turner Valley natural gas by reinjecting it into the depleted Bow Island field, as in previous years, was continued. The stored gas is the product of the absorption plant after the recoverable petroleum has been extracted. Last year 1,508,376 M. cu. ft. was stored, bringing the total amount stored to December 31, 1933, to 5,065,671 M. cu. ft., or approximately nine months requirements of the Canadian Western Natural Gas, Light, Heat and Power Co., at Calgary. No new drilling was undertaken during the year.

The company purchased all of the assets of the Mayland Oil Co., in consideration of 40,000 shares of Royalite stock, which were distributed to Mayland shareholders on the basis of one share of Royalite for each 12 shares of Mayland held. Similarly, certain assets of the Alberta Pacific Consolidated Oils were acquired, including two wells. This was in consideration of the issue of 2,800 of Royalite stock to Alberta Pacific Consolidated Oils.

Capital Increased

In order to effect these purchases the capitalization of the company was increased from 500,000 shares of no par value to 1,000,000 shares, and on December 31, 1933, 542,800 shares were outstanding. The balance sheet as at Dec. 31, 1933, showed current assets of $2,560,006, as compared with current liabilities of $147,668, leaving a working capital of $2,412,338, compared with $2,124,138 in the previous fiscal year.

The annual meeting is called for April 30 in Calgary.

Foothills Oil & Gas Co. Has Net Profit of $12,065

The fourth annual report of Foothills Oil & Gas Co., subsidiary of Imperial Oil Co., operating in the Turner Valley field of Alberta, shows a net profit of $12,065 for the fiscal year ended December 31 last as compared with a loss of $12,332 in the previous fiscal year. Gross income was reduced to $89,091 from $99,197 shown in the previous fiscal year, but depreciation charges were higher [illegible] 1932 for bad debts, which dragged down the earnings in 1932, did not appear.

Production from the company's wells totalled 30,514 barrels of discolored crude as compared with 31,166 barrels in 1932.

Financed by Imperial

The balance sheet as at December 31, 1933, showed current assets of $31,317, including $709 in cash and [illegible] in accounts receivable. Current liabilities totalled $8,676. [illegible] Southwest Petroleum Co. [illegible] $204,760. [illegible] of the company is called for April 30 in Calgary.

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ONTARIO MINES

Metal Production and Dividends Paid by the Mines of Ontario, Canada's Premier Province, to the end of 1933.

	Production	Dividends
Gold ...	$500,900,000	$153,108,020
Silver ..	$257,300,000	$ 97,691,281
Nickel .	$359,300,000	$149,723,449
Copper .	$148,100,000	
Total .	$1,265,600,000	$400,522,750

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Wood Kirkland Planning Distribution of Holdings

At annual meeting of Kirkland Gold Belt Mines last week, it was stated that Wood-Kirkland Gold Mines planned to distribute its shares of Kirkland Gold when this company's financing programme was completed.

Wood-Kirkland has 1,600,000 shares outstanding and holds 1,000,000 Kirkland Gold Belt shares. Its stockholders will therefore receive five of the latter for each eight shares in the older company. This distribution is expected to take place this autumn.

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INT'L MINING CORP. SHOWS NET ASSETS AT $19.91 A SHARE

Company Undertaking Underground Exploration of De Santes Prospect

Quarterly report of International Mining Corp. as of March 1, 1934, shows net asset value of $7,966,254, or $19.91 a share outstanding.

The report, which has gone out to shareholders over the signature of the president. W. H. Chadbourne, deals with three properties, the Chibougamau, the De Santis, and Bulolo Gold.

In the Chibougamau district of Northern Quebec, an option was taken on control of a company which holds 30 mining claims, states the report. While preliminary surface samples have not given encouraging results, work will be continued in the summer. In Ontario, the company is participating in underground exploration of the De Santis gold prospect. This property consists of claims in Ogden twp. There is a shaft of 215 ft. The old Hayden 50-ton mill was moved to the property last fall but after a few weeks operation was discontinued.

Production of Bulolo Gold Dredging Co. from Jan. 1, 1934, to Mar. 31, was reported as 21,541 ounces of gold, and estimated working profit as 14,270 ounces.

Movements of Mining Men

John Drybrough, B.Sc., consulting engineer, of Winnipeg, has returned to his home, after an extended visit to the east part of the Dominion.

Irvine M. Marshall, manager of Reno Gold Mines in British Columbia, has joined partnership with his brother-in-law, Prof. S. J. Schofield as consulting engineers in Vancouver. Prof. Schofield was formerly connected with the structural geology department of the University of British Columbia.

John Hammell, president of Harker Gold Mines, Green-Stabell Mines and other enterprises, has returned from an extended trip to Bermuda.

H. A. Kee, former manager of Kerr Lake Mines, who supervised the erection of mills on the Quebec properties of Greene Stabell and Sullivan Gold Mines, has been appointed general manager of the Canadian Pandora Gold Mines Ltd. He will have full charge of the company's operations in Cadillac Twp.

Wallace Lake Acquires 21 Claims in Jellicoe

Arrangements have been completed whereby Wallace Lake Gold Mines takes over a total of 21 claims in the Jellicoe area, Thunder Bay district, Theo. A. Sparks, president, announced at Winnipeg this week. These claims adjoin on three sides the main property of the Dick-Dick Exploration Co., which shipped 280 tons of ore from open cut running $140 per ton in gold during the past few months. It is planned to conduct an energetic programme of development on the newly acquired properties as soon as the ground permits.

Twelve claims on the north and three on the south have been transferred from the ownership of Gen. D. M. Hogarth, Charles H. Greer, E. E. Johnson, Allan Johnson, and W. T. McEachern. Six claims on the west of the Dick-Dick properties were acquired from B. L. Morrison, of Port Arthur.

Claim N. Y. Interests Pay $197,051 to Nicola Mines

From Our Own Correspondent

VICTORIA.—It is understood from reliable sources here that since the first option agreement was entered into by the company and the Clifton Corp., an affiliated company of Bartley & Co., of New York, a total of $197,051 has been paid into the treasury of the Nico Mines and Metals by the latter for development purposes.

The 50,000 vendors' shares which were due for release on March 21 last under the terms of the agreement have not yet been taken up by the vendors, it is stated.

Engineer's Holding Co. Seek Funds to Buy Up Property

Shareholders in the defunct Engineer's Holding Co., which, in 1928 did considerable exploration work in the Serpent Basin and Michipicoten areas, near Sault Ste. Marie, are being asked to contribute to a fund to take up a judgment directing a lien in favor of Richard J. Stobie and others, against properties in Michipicoten.

A circular letter, sent to all shareholders explains that the lien awarded in 1932 amounts to $4,778.49, which, with subsequent costs and interests amounts now to $5,434.05. The minimum contribution accepted is $25, and the maximum $500.

The plan is to take the total contributions, purchase the land under the judgment, and form a new company. Shareholders will be given shares in the new company in proportion to their contributions. Shareholders in the Engineers Holding Co. who do not contribute, will not be considered, states the circular letter.

Harry M. Ford, one of the trustees, and a Toronto barrister, is acting for the trustees in this regard.

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Drastic Government Action May Close Weak Coal Mines

From Our Own Correspondent

EDMONTON.—While mystery enshrouds, to a large extent, the motive behind the creation of a provincial bureau of trade and industry, as provided in a bill now before the legislature, it is understood that one of the primary purposes is to rationalize and bring under control the coal mining industry of Alberta.

Seldom has proposed legislation caused such conjecture as has this bill, bestowing extraordinarily wide powers for controlling all branches of trade and industry by the government, or by government appointees. It is felt that at least for the present, no government would attempt to utilize all the powers bestowed by the bill.

As regards mining, it is provided that steps may be taken to close the less efficient mines and to remunerate their owners out of the earnings of the more productive mines. Mines that cannot pay their way would be closed up, under the authority of the proposed legislation.

A direct attempt to solve one of the province's major mining problems is seen in this clause. The mine in financial difficulties has been a thorn in the flesh of the government for some time. Unable to pay its current bills, its taxes, and often its wages, it continues to sell coal at less than cost, thereby spoiling the market for the efficient producers, and contributing nothing to the purchasing power of the province. It is a recognized fact that there are more mines in the province than the market warrants. An attempt to work out a complete system of control for the coal industry is expected to follow fairly promptly upon the passage of the bill.

It is believed in circles close to the government that the provisos for controlling other forms of industry are included in the bill in the main to provide machinery by which the government can control the mining industry, and cope with the expected complaints of mine owners and miners, put out of business by any steps which the government may make. The actual enforcing of the clauses dealing with other forms of industry is considered to be a remote possibility indeed.

QUEBEC GOLD CORP. REVEALS HOLDINGS IN CAN. MALARTIC

100,000 Shares Bought From Ventures and Sudbury Basin Mines

With the application of Quebec Gold Mining Corp. for listing on the Montreal curb market, it is learned that this company has 100,000 shares of Canadian Malartic, purchased from Ventures Ltd. and Sudbury Basin Mines. Other holdings of this company, according to the application, consist of 500,000 shares Big Missouri Mines Corp.; 54,422 Halliwell Gold Mines Ltd.; 208 Quebec Gold Mining Syndicate, and 810,000 Bussieres Mining Co., Ltd.

Of an authorized capitalization of 4,000,000 shares of $1 par value, 2,350,000 are outstanding. Control of Bussieres Mining Co. was acquired as of Nov. 1, 1933.

The balance sheet shows current assets to be $92,024.51. Current liabilities $19,158.26. Under deferred liabilities, the balance sheet lists balance of purchase obligation for shares of Bussieres Mining Co., $65,000, and for Canadian Malartic Mines $2,000, or total deferred liabilities for these purchases of $67,000.

Gustave H. Rainville, W. R. G. Holt and R. M. Macaulay, all of Montreal, are president and vice-presidents, respectively.

Taylor Windfall Mines To Get Mill By 'Plane

From Our Own Correspondent

VANCOUVER.—Airplanes are to be used in development of the Taylor Windfall gold property in the Whitewater country.

A mill test of the ore has been made in San Francisco by the Straub Manufacturing Co., and the results are said to have been satisfactory. A 92 per cent gold recovery on the amalgum plates is reported and now the company have purchased a small milling plant.

Owing to the inaccessibility of the country and the necessity of air transportation, heavy equipment would be impossible. The plant may be dismantled and flown in in sections weighing not more than 250 pounds each.

Report New York Funds For Preston East Dome

Dormant since 1914, Preston East Dome is being revived with New York funds, it is reported. If present negotiations are concluded satisfactorily, money will be provided to clear up whatever debts the company has outstanding, and to embark on a modest programme of exploration, it is reported.

Preston East Dome has claims immediately adjoining the Dome Mines on the east. The Financial Post understands a new directorate will be elected, recruited to a large extent from across the border.

It is understood the company will embark on a programme of diamond drilling immediately. The property was first staked by Harry Preston, co-discoverer of the Dome Mines.

Vancouver Island Gold Reports Major Strides

Strides in development work of Vancouver Island Gold Mines have been reported by W. C. Mainwaring, director of the company, after an inspection trip made to the property on Vancouver Island. According to officials, the Gold Belcher vein has been trenched and stripped for a distance of 2,450 ft. extending between the Chicago and the Missing Link claims. It is reported that the exposed vein is of varying width, being 22 in. on the Chicago claim, widening to 5 ft. on the Missing Link claim, and reaching its maximum width of 6 ft. 6 in. on the Alberni claim.

At the present time ore bins are being erected, and development ore will be shipped pending the erection of a mill.

Plan Decrease in Size of Township Boundaries

Notice of approval by the Lieut.-Gov. of an order-in-council changing the areas of certain townships in the Cochrane and Thunder Bay district from nine miles square to six miles square was contained in the April 7 issue of the Ontario Gazette.

The boundary between Kowkash and Port Arthur mining divisions has never been surveyed, according to the order, and in view of the increased mining activity in the Little Long Las, Atigogama, and Onaman Lake areas, it is thought advisable to have this boundary surveyed and several townships outlined. Accordingly the Kowkash mining division has been redefined in order to comply with the desired change.

Foster Ledge Will Extend Deep Level Development

From Our Own Correspondent

VICTORIA.—Deep level development work at the Foster Ledge Gold Mines on Chisholm Creek in the Cariboo district, will be extended and speeded up this summer by the installation of power drilling equipment and a new compressor, it is announced by officials of the company. A deal in London, involving the sale of 500,000 shares of Foster Ledge to Old Country interests is reported.

Announce Sale Of Stemwinder To Morning Star

An arrangement with American Smelting & Refining Co., whereby Morning Star Gold Mines acquires the Stemwinder Mine, owned by a subsidiary of American Smelting, Fairview Mining Co. was announced over the signature of I. W. Donald, secretary of Morning Star recently.

The newly acquired Stemwinder mine, which adjoins the Morning Star in the Fairview camp of British Columbia, has been explored by a shaft over 500 ft. deep. Laterally, 6,000 ft. of drifting on various levels has been done. Under the agreement, all the ore on the Stemwinder claims and the extension in dip of such ore, belongs to Morning Star.

In the official notice of the new purchase, Morning Star officials quote Henry Lee, representative of the American Smelting & Refining Co. as saying that if the combined properties of Morning Star and Stemwinder did not make a mine, there was very little chance for any other property in the Fairview camp.

It was announced that due to ill health, R. L. Clothier, managing director of the company has tendered his resignation, planning to take a protracted rest. J. D. Galloway has been appointed to take over complete charge of the operation in the meanwhile.

DOMINION COAL CO. EARNINGS FOR 1933 STAGE COMEBACK

Earn Over $7 on Preferred — Capital Liabilities Reduced

From Our Own Correspondent

MONTREAL.—Dominion Coal Co., controlled by Dominion Steel and Coal Corp., reported a marked expansion in income during 1933; the operating profit at $1,492,178 was the largest reported for any year since 1929.

The extent of the betterment in operating income last year is more apparent upon examination of the income account by the profit and loss account figures, which show $697,239 available for interest, after providing for sinking fund and depreciation charges, compared with $90,099 in 1932. After taking care of all senior obligations, the net profit for the year was equivalent to $7.34 a share on the company's preferred stock. In 1932 there was a deficit before taking the preferred stock into consideration.

Carry Forward Surplus

Particulars of the profit and loss account for the past three years follow:

	1933	1932	1931
	$	$	$
Oper. prof..	1,492,178	941,195	158,826
†Deduct ...	64,938	121,096	127,485
Net op. prof.	1,427,239	820,099	31,341
S.F. & dept.	730,000	730,000	730,000
Balance ...	697,239	90,099	*698,659
1st M. int..	148,177	158,892	172,608
Inc. bonds int.	210,000	210,000	210,000
‡Other int..	118,731	121,890	124,461
Net prof...	220,881	418,027	*1,223,072
Prev. bal...	*571,596	*153,570	1,069,502
P. & L. bal.	351,265	571,597	153,570

†One half of net profits on operations of Springhill Division transferred to Cumberland Railway and Coal Company. *Deficit. ‡Interest on first mortgage bonds of Cumberland Railway and Coal Company.

Working Capital Position

	1933	1932	1931
	$	$	$
Curr. assets	3,524,089	3,043,845	3,525,206
Curr. liabs..	1,607,413	628,672	868,464
Work. cap..	1,916,676	2,414,673	2,656,742

Lower Funded Debt

At the end of last year Dominion Coal Co.'s balance sheet showed assets totalling $28,564,013, compared with $28,861,581 at the close of 1932.

The funded debt shows a reduction during the year from $6,585,000 to $6,293,500. Since the publication of the report, the company has announced that $306,000 par value of bonds have been drawn for redemption at a premium of 5 per cent. When this redemption has been effected on May 1, the funded debt of the company will be slightly under $6,000,000.

Offsetting the reduction in funded debt is an increase in bank loans from $70,243 to $493,929. Current liabilities also show a substantial increase, rising from $382,867 to $902,082. Wages accrued, etc., show a moderate increase, while accrued interest is slightly lower.

Wipe Out Account

The increase in the bank loans is explained in part by the elimination of $1,747,317 from among the liabilities, representing balances payable in liquidation of current accounts of associated companies. This item has been on the books for many years and in 1931 reached the high point of $2,145,128.

Among the assets the property account shows a slight reduction at $24,389,799. Inventories are approximately the same, while accounts receivable show an increase of approximately $500,000 at $1,772,270. Other accounts receivable show a moderate reduction at $339,428.

Cash on hand shows an increase from $148,019 to $234,514.

As already mentioned the company has wiped out its indebtedness to associated companies and the balance sheet shows that these associated enterprises now owe Dominion Coal $138,515.

Deferred charges have been reduced from $240,500 to $147,296, while the profit and loss account deficit has been cut from $571,596 to $351,265.

DANGERS SEEN IN HIGH PRICES FOR SILVER

Chinese Bank Deprecates Price Raising and Speculation

Price control schemes for silver and American price raising plans are getting a cool reception in China, one of the world's few silver currency nations. Meanwhile speculators have been buying silver futures and silver mining shares.

At the world economic conference last July, one Chinese delegate voiced emphatic opposition to raising silver prices. This, he said, would deflate other prices in China and depress its whole economy.

British observers of the world scene have come to the conclusion that higher silver prices will not improve Oriental buying power, but will actually make the silver situation worse. Their argument is that India and China are normally consumers of most of the world's annual silver output. They buy silver by exporting goods, and do not normally export silver to pay for imports.

Just how important India and China are to silver is indicated by the fact that these two countries have in the past taken about two-thirds of the world's annual output. If this stops, authorities state, world markets may be flooded by the unmarketed production. These commentators of course, do not include American silver senators.

Chinese Bank View

Perhaps no group is better qualified to comment intelligently on the position of silver than those engaged in banking in China. T. E. Pearce, chairman of the Hong Kong and Shanghai Banking Corporation recently told shareholders of the bank some silver truths. He said:

"The depression struck China later than the rest of the world and, owing to the depreciation of currencies elsewhere and to the political troubles which have befallen her, it is to be feared that her recovery may be delayed. But much depends on certain imponderable considerations amongst which silver takes a prominent place.

Silver Speculation

"Three years ago your chairman in reviewing the position of silver expressed the hope that 'the governments concerned would stay their hands from any measures calculated to make the position worse.' We still hold the view that from the point of view of China, governmental interference, aiming at bringing about an artificial rise in silver, will almost certainly do more harm than good, and for this reason we did not applaud the Silver Agreement reached at the World Economic Conference in London. It set a precedent for attempting to control the supply of silver, and though its effect on values has been and is likely to remain small owing to the comparatively small quantity with which it deals, the fact that a successful international agreement has been reached, providing an artificial silver market and restricting the free play of supply and demand, is encouraging to silver speculators. The depreciation of currencies throughout the world has had the effect of raising proportionately the price of silver in terms of those currencies and concurrently has put up the price of China's export commodities. It is an ominous sign that China should be beginning to export silver to pay for her imports. If we glance at a few figures the position will be clearer.

Oriental Selling

"Taking the seven years up to the end of 1930, on an average India and China together consumed about 66 per cent of the world offerings of silver, say about 200 million ounces per annum. This consumption dropped in 1931 to 116 million ounces, in 1932 to 52 million ounces, and now in 1933 the Indian consumption is estimated to be 10 million ounces, while China is estimated to have exported some 15 million ounces more than she imported. So we find the consumers of two-thirds of the world supply of silver have gone out of the market and although the production of silver has dropped from an average of about 240 million ounces to 163, the total offerings of silver last year reached as much as 273 million ounces, which is not very much under the average supply of the last seven years. The consequence is that over 150 million ounces of the supply of silver remain unaccounted for and are presumably in the hands of speculators."

If the United States Government buys sufficient silver, some speculators may reap a profit. But this analysis of the economic background of the silver situation by Mr. Pearce indicates dangers to the Oriental economy and possibly to silver prices.

Eastern Interests Buy 40 Lots in Phillips Arm

From Our Own Correspondent

VANCOUVER.—Considerable interest was aroused in coast mining circles by announcement of director of Hercules Consolidated Mining, Milling & Power Co. that an agreement would be signed with Eastern Canadian interests for the transfer of 40 of the 72 claims held by the company in the Phillips Arm district.

A company is to be formed by the eastern interests, but control of the 40 claims will not pass into its hands until a certain amount of development work has been done. The new company's agreement calls for an expenditure of $500,000 on mine development, mill, etc. Hercules will retain about 45 per cent interest in the new company, and its present operations at Phillips Arm will not be disturbed.

Northern Reef Prepares For Dual Development

Claiming its properties on the McDougall River, B.C., contain both placer and lode possibilities, Northern Reef Gold Mines announce that crews are busy sawing lumber preparatory to the early washings of gravel this spring.

In charge of this unique dual development, is "White Rock" McLean, well known in the early days of the Rossland camp. The lode showings, it is claimed, consist of heavy mineralized slate and schist belt carrying values in gold over a width of 160 ft. and resembling a series of B veins.

Properties of Northern Reef form the connecting link between Omineca and Cariboo Gold Fields.

Red Gold Mines Hope to Strike Glenwood Vein

Red Gold Mining Co., whose financial agents in England recently were strongly scored by English financial publications, is a company which last December acquired a group of claims known as Block 8 of the Stadacona property in the northwest corner of Rouyn township, Quebec. While the tactics of the English firm underwriting the company's issue was scored, no fault has been found either with the financial structure of the company itself or with the prospects of the claims which it holds.

Lying south of the Noranda and Bagamac Mines, the property is adjoining the Glenwood Mining Co.'s properties. It has been established by the company's engineer, Murray D. Kennedy, that the Glenwood vein extends into Block 8.

The company, operating under a federal charter, is capitalized at 3,000,000 shares of no par value. The property was acquired for 1,000,000 shares and $50,000 cash. Camps are already on the property, which comprises 458 acres.

DOSCO BETTERS EARNING POWER OVER PAST YEAR

Trend of Operations More Encouraging at Present

From Our Own Correspondent

MONTREAL.—Operating conditions of Dominion Steel and Coal Corp. and subsidiary companies underwent an appreciable improvement in 1933, with the result that earnings advanced from $112,987 in 1932 to $468,045 last year.

According to the report of the president, Sir Newton J. Moore, ingot production during 1933 was 31 per cent of capacity as against 17 per cent in 1932. Ore shipments to European buyers were on a somewhat higher scale than in 1932, but no shipments were made to the Sydney works or to the United States.

Deficit is Lower

The deficit after providing for all charges in 1933 was $408,502. This compares with a deficit of $1,173,681 in 1932. The increase in interest charges, despite a decline in bank loans, was due to increase in the interest rate on the first mortgage debenture stock from 6 per cent to 7 per cent, in return for which concession the debenture holders agreed to defer payment of interest due on March 1, 1933.

	1933	1932	1931
	$	$	$
Oper. profit	468,045	112,987	813,736
†Deduct ...	114,114	‡606,065	‡587,368
Balance ...	353,931	*492,078	226,368
Interest ...	762,434	681,602	798,497
Balance ...	*408,502	*1,173,681	*572,129
Prev. bal...	*890,670	305,969	878,098
P. & L. bal.	*1,299,173	*867,712	305,969

†Depreciation and depletion of minerals. ‡Including provision for sinking fund. *Deficit.

Reduce Funded Debt

Examination of the consolidated balance sheet of Dominion Steel and Coal shows that at the end of 1933 the company had assets totalling $46,057,897, compared with $47,391,483 in 1932.

The funded debt was reduced during the year from $9,642,547 to $9,486,548. The lowering of the debt applies principally to the bonds of wholly-owned subsidiaries, namely, Dominion Steel Equipment and Cumberland Railway and Coal Co.

Deferred payments on property purchased were reduced in 1933 to $763,355 or nearly $60,000 less than in 1932.

Bank Loans Cut

Bank loans underwent a change, being reduced from $5,886,575 in 1932 to $4,324,246 in 1933.

The current liabilities, aside from the bank loans, generally show an increase due to the accumulation of interest on bonds, which now stands at $648,442 compared with $145,521 in 1932. A new item among the liabilities in the 1933 report is the amount of $138,516 due to the Dominion Coal Co.

Other changes among the liabilities are unimportant, while among the assets the net value of the property account is shown at $31,958,673, as against $32,167,554 in the previous year.

Investments in associated companies are unchanged, while cash in the hands of the trustee has declined from $38,984, to $14,963. Bonds purchased by the company stand on the books at $123,227, or roughly $21,000 less than last year.

Inventories were reduced during the year from $5,500,416 to $4,931,922.

More Business Handled

Accounts receivable show a sharp increase at $2,548,604, up from $1,665,169. Other accounts receivable declined from $220,580 to $175,128.

Miscellaneous investments were cut in half during the year, now standing on the books at $42,917. Cash on hand at the end of 1933 amounted to $79,699, compared with $332,333 in 1932.

Insurance premiums and other prepaid charges increased during the year from $214,387 to $301,135.

An amount of $1,346,433 shown in the 1932 report as balances due from associated companies was wiped out during 1933.

Rail Order Helps

In his report to shareholders, Sir Newton Moore had the following to say, in part:

"The operations were greatly benefitted during the year by an order for 50,000 tons of rails for Canadian National Railways, the Dominion Government guaranteeing the banks in respect of that portion of the cost of production represented by wages. This action prevented a complete shut-down of the plant and encouraged your directors to undertake a vigorous campaign for export business, which has met with considerable success, export shipments for the year amounting to 25,308 gross tons, against only 237 gross tons in 1932. Favorable exchange rates and the Ottawa Conference agreements have been of material assistance in obtaining this business. While the export business yielded no profit to the corporation, this, together with the rail order, considerably reduced unemployment among our employees during the latter part of the year.

"While the prospects appear to be encouraging for the year 1934, profitable operation cannot be looked for until a greater volume of domestic business is available.

"The proposals in respect of postponement of interest and waiving of sinking fund, referred to in the last year's report, were finally approved at a meeting of the debenture holders on 11th December last."

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Golden Star Consolidated Starts Milling Operation

Operations at the Golden Star Consolidated Mine at Mine Centre in the Michipicoten area have begun, according to word reaching here this week. It is reported the mill started operations on March 16, running the first few days as a preliminary test.

Active steps for production on this property were taken only about five weeks ago. Mine officials announce that at the earliest opportunity another mill with a 100-ton capacity will be installed.

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